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TRADE POLICY COMMITTEE
ON TRADE BETWEEN THE
UNITED STATES AND THE
NONMARKET ECONOMY
COUNTRIES DURING
1987

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CONTIN

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NOTE TO UNITED STATES GOVERNMENT RECIPIENTS OF THIS REPORT

U.S. Government officials are invited to inquire about the availability of statistics on U.S.-NME trade other than those presented herein. The Commission's East-West Trade Statistics Monitoring System contains the full detail of U.S. trade with all NME's as issued by the Census Bureau. These data are maintained by the Commission on an annual, quarterly, and monthly basis, and are generally available within 8 weeks after the close of the monthly reporting period. More information on this service may be obtained from the Chief, Trade Reports Division, USITC, telephone: (202) 252-1255.

INTRODUCTION

This series of reports by the United States International Trade Commission is made pursuant to section 410 of the Trade Act of 1974 (19 U.S.C. 2440), which requires the Commission to monitor imports from and exports to certain nonmarket economy countries (NME's). These countries include those listed in headnote 3(d) of the Tariff Schedules of the United States (TSUS) 1/ and others not listed in the headnote 2/, viz, Hungary, the People's Republic of China (China), and Romania. 3/

Under section 410, the Commission publishes a summary of trade data not less frequently than once each calendar quarter for Congress and, until January 2, 1980, for the East-West Foreign Trade Board. As of that date, the East-West Foreign Trade Board was abolished, and its functions were transferred to the Trade Policy Committee, chaired by the United States Trade Representative.

The statute provides that the reports in this series are to provide data on the effect, if any, of imports from NME's on the production of like or directly competitive articles in the United States and on employment within industries producing those articles. To fulfill this requirement, the Commission developed an automated trade monitoring system to identify imports from the NME's that have grown rapidly and to measure the degree of penetration of such imports. Because the only comprehensive data source for U.S. manufacturing production is collected and published on an annual basis, this system is run once a year. The results of the 1987 analysis are presented in the 51st quarterly report, and a more detailed analysis of

1/ The following countries or areas are listed under headnote 3(d) of the TSUS: Afghanistan, Albania, Bulgaria, Cuba, Czechoslovakia, the German Democratic Republic (East Germany), Estonia, those parts of Indochina under Communist control or domination (including Vietnam), North Korea, the Kurile Islands, Latvia, Lithuania, Mongolia, Poland, Southern Sakhalin, Tanna Tuva, and the U.S.S.R. In 1987, Afghanistan was added to the list of countries in headnote 3(d), but it is currently not included in this report.

2/ When most-favored-nation tariff treatment is accorded a Communist country, that country is no longer included in headnote 3(d).

3/ Earlier reports in this series included Yugoslavia among the NME's whose trade with the United States is monitored. At the suggestion of the United States Trade Representative and after consultation with the appropriate congressional committees, the Commission determined that Yugoslavia would no longer be included in the countries covered by this report. This decision was effective with the 27th report. (27th Quarterly Report to the Congress and the Trade Policy Committee on Trade Between the United States and the Nonmarket Economy Countries During April-June 1981, USITC Publication 1188, September 1981, p. 1, hereinafter 27th Quarterly Report . . .). In the opinion of many analysts, Yugoslavia is not appropriately classified as an NME. Also, it is not a member of the Warsaw Pact or the Council for Mutual Economic Assistance. Yugoslavia has special status with the Organization for Economic Cooperation and Development and is a leader among nonaligned countries.

three product groups identified by the monitoring system was published in the 52d quarterly report. Every quarterly report monitors imports from NME's and reports on trends that may be significant for U.S. commerce. Because U.S. trade with several of the NME's is negligible, the reports focus on Bulgaria, China, Czechoslovakia, East Germany, Hungary, Poland, Romania, and the U.S.S.R., whose current trade with the United States is at a level that might potentially affect a domestic industry. However, data on U.S. trade with Albania, Cuba, Mongolia, North Korea, and Vietnam are provided in the appendices to each report, and trade with these countries is included in totals for "All NME's" throughout the reports.

At present, China, Hungary, Romania, and Poland are the only NME's that receive most-favored-nation (MFN) tariff treatment from the United States. In the early 1950's, the MFN status of the NME's was suspended in accordance with section 5 of the Trade Agreements Extension Act of 1951, which provided that the benefits of trade-agreement concessions were not to be accorded to such countries. 1/ Section 401 of the Trade Act of 1974 reaffirmed the policy of denying nondiscriminatory treatment to imports from NME's with the exception of Poland, whose MFN status had been restored in 1960. 2/ However, section 402 of the Trade Act of 1974 authorized the President to extend MFN status to those countries that meet certain emigration-policy criteria or to waive the application of such criteria when he has received certain assurances. Waivers resulting in MFN status were extended to Romania in 1975, to Hungary in 1978, and to China in 1980. Poland's MFN status was suspended by the President in October 1982, but was again restored in February 1987.

Imports from Communist countries can be the subject of market disruption investigations by the Commission under section 406 of the Trade Act of 1974. Section 406 was included in the Trade Act because of concern, in the view of the Senate Committee on Finance, that a Communist country "through control of the distribution process and the price at which articles are sold," could direct exports "so as to flood domestic markets within a shorter time period than could occur under free market condition[s]." 3/

In the TSUS, the MFN rates of duty are set forth in column 1. The rates applicable to products of designated Communist countries 4/ are set forth in column 2; these are the rates that were established by the Tariff Act of 1930. They are equal to or higher than the MFN rates in column 1. Since many column 2 rates are substantially higher than the corresponding

1/ More specifically, the provision applied to imports from the Soviet Union and "any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement."

2/ This provision was not applicable to countries that had MFN status when the Trade Act was enacted.

3/ Trade Reform Act of 1974: Report of the Committee on Finance. . ., S. Rep. No. 1298, 93d Cong., 2d Sess., 210 (1974).

4/ Those countries referred to in headnote 3(d) of the TSUS.

column 1 rates, actual or potential U.S. imports from countries subject to column 2 rates depend in some measure on the rates of duty on the specific items involved.

Except as otherwise noted, trade data presented in this report are compiled from official statistics of the U.S. Census Bureau. Imports are imports for consumption (the sum of directly entered imports plus withdrawals from customs warehouses) at customs value (generally equivalent to f.o.b. value at the foreign port of export). Exports are domestic exports (U.S.-produced goods) at f.a.s. value. Detailed analysis in the report is generally done on a seven-digit TSUSA (imports) or Schedule B (exports) basis, which is the basis on which the data are collected. Analysis of aggregate trade levels and trends is generally presented in terms of Standard International Trade Classification (SITC) Revision 2 categories. ^{1/}

In this report, references to specific products (e.g., wheat) that are not identified by a numerical classification (e.g., SITC Group 041) are either seven-digit TSUSA items (U.S. imports) or seven-digit Schedule B items (U.S. exports). The TSUSA or Schedule B classification numbers of these items may be found in the tables in appendix B of this report, which list leading items in trade with the NME's as a group and with individual NME's.

The U.S. International Trade Commission is an independent, factfinding agency. Thus, any statements made in the quarterly reports on East-West trade do not necessarily reflect the views of executive branch agencies and should not be taken as an official statement of U.S. trade policy. The information and analyses in this report are for the purpose of this report only. Nothing in this report should be construed to indicate how the Commission would find in an investigation conducted under other statutory authority.

This report contains a summary of U.S. trade with the NME's during 1987, including separate sections briefly covering trade with China, the Soviet Union, and Eastern Europe. It examines U.S. exports, imports, and the balance of trade with these countries as well as the commodity composition of this trade. The report also contains a summary of developments during 1987 that affected U.S. trade and commercial relations with the NME's and an overview of economic developments in each of these countries during the year.

Additional copies of this report (USITC Publication 2077) can be obtained by calling (202) 252-1000, or by writing to the Office of the Secretary, U.S. International Trade Commission, 500 E Street SW,

^{1/} The SITC was developed by the United Nations Secretariat in 1950 as a common basis for the reporting of international trade data. In 1975, the U.N. Economic and Social Council recommended that member States begin reporting their trade statistics on the basis of Revision 2 of the SITC.

Washington, DC 20436. Requests to receive the report on a quarterly basis should be directed to (202) 252-1255, or to the Trade Reports Division, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436.

SUMMARY

Two-way merchandise trade between the United States and the NME's increased by 17.9 percent from \$11.7 billion in 1986 to a record annual level of \$13.8 billion in 1987, exceeding the last record set in 1985 by \$1.0 billion. U.S. exports to the NME's rose by 11.9 percent, from \$5.1 billion in 1986 to \$5.7 billion in 1987, and U.S. imports from these countries increased by 22.4 percent, from \$6.7 billion to \$8.1 billion. As a result, the U.S. deficit in trade with the NME's increased from \$1.6 billion in 1986 to \$2.5 billion in the year under review. This was both the second consecutive annual U.S. deficit in trade with the NME's and the second annual U.S. deficit with these countries since 1965. The deficit in trade with China increased from \$1.6 billion in 1986 to \$2.8 billion in 1987, and that with Eastern Europe, from \$711.5 million to \$777.5 million. The partly offsetting factor was an increase in the surplus in trade with the Soviet Union, from \$691.9 million in 1986 to \$1.1 billion in 1987.

U.S. exports to China increased by 12.5 percent, from \$3.1 billion in 1986 to \$3.5 billion in 1987, and those to the Soviet Union increased by 18.5 percent, from \$1.2 billion to \$1.5 billion. However, exports to Eastern Europe inched down from \$713.6 million to \$712.6 million. Both China's share and the Soviet Union's share of U.S. exports to the NME's increased slightly in 1987, to 60.9 percent and 26.0 percent, respectively. These increases diminished the share of all other NME's to 13.1 percent.

Much of the increase in U.S. exports to the NME's during 1987 was attributable to the recovery in U.S. grain (wheat and corn) shipments to these countries, which increased from \$383.8 million (3.4 million metric tons [Mt]) in 1986 to \$1.1 billion (14.7 Mt) in 1987. U.S. wheat shipments to the Soviet Union increased from nil in 1986 to \$389.1 million (4.8 Mt) in 1987. Shipments of U.S. wheat to China increased from \$6.4 million (33,600 metric tons [t]) to \$139.2 million (1.9 Mt), and those to Eastern Europe rose from \$7.1 million (51,625 t) to \$67.2 million (0.9 Mt) over the period. U.S. exports of corn to the Soviet Union increased from \$280.6 million (2.6 Mt) in 1986 to \$381.5 million (5.2 Mt) in 1987, and corn exports to China climbed from \$4.2 million (56,502 t) to \$94.9 million (1.3 Mt). At 0.7 Mt, the volume of U.S. corn shipments to Eastern Europe was the same in 1987 as in 1986, but the value of these shipments fell from \$70.1 million to \$52.7 million over the period.

Despite a decline from \$2.0 billion in 1986 to \$1.7 billion in 1987, U.S. exports of machinery and transportation equipment (SITC Section 7) accounted for 30.2 percent of U.S. exports to the NME's, more than any other single-digit SITC category. Shipments to China, the largest market, declined from \$1.7 billion in 1986 to \$1.5 billion in 1987, whereas shipments to the Soviet Union fell from a 4-year high of \$156.3 million in 1986 to a 5-year low of \$87.5 million in 1987. Exports of chemicals (SITC Section 5), which accounted for 20.3 percent of all U.S. exports to the NME's in 1987, amounted to \$1.2 billion, their highest level in 5 years.

The rise in these exports was due to a sizable increase in shipments to China, particularly of fertilizers.

The growth in U.S. imports from the NME's in 1987 was almost entirely the result of increased imports from China, to \$6.2 billion from \$4.7 billion in 1986. Imports from Eastern Europe also increased, from \$1.4 billion in 1986 to \$1.5 billion in 1987, but those from the Soviet Union declined, from \$554.9 million to \$408.2 million. China's share of U.S. imports from the NME's increased to 76.7 percent in 1987, whereas the share of the Soviet Union declined to 5.0 percent. Owing in large measure to the decrease in Romania's share to 8.8 percent, that of all other NME's fell to 18.3 percent in 1987.

At \$2.7 billion, U.S. purchases of apparel and other textile products (yarns, fabrics, and household goods) accounted for 33.5 percent of all U.S. imports from the NME's in 1987. These imports from China alone amounted to \$2.5 billion, up 19.0 percent from \$2.1 billion in 1986. U.S. imports from the NME's of petroleum and petroleum products declined for the second year in a row to \$963.2 million. Increased purchases from the Soviet Union did not make up for the decrease in imports from China and Eastern Europe.

U.S. imports of machinery and transportation equipment increased substantially in 1987, rising to fourth place among single-digit SITC categories. The increase was mainly due to the rapid growth in imports such as telecommunications and sound recording and reproducing equipment and electrical machinery and appliances from China. The United States also increased its purchases of children's toys and games, travel goods and handbags, and footwear from China in 1987.

One of the major developments affecting commercial relations with the NME's in 1987 was the significant increase in U.S. wheat sales to these countries resulting from the Department of Agriculture's Export Enhancement Program (EEP). Under this program, which provides for wheat exporters to receive bonus amounts of Government-owned surplus commodities to cover the difference between the U.S. price they must pay for the grain and an internationally competitive selling price, offers of U.S. wheat were accepted by four NME's in 1987: the Soviet Union, China, Poland, and Bulgaria. The Soviet Union agreed to buy 4 Mt for delivery before September 30, the end of the 1986/87 U.S.-U.S.S.R. grain agreement year, thereby meeting its annual minimum wheat-purchase commitment under this agreement for the first time since the 1983/84 year. By yearend, it had contracted for another 4.815 Mt of wheat, more than enough to meet this commitment for the 1987/88 agreement year. China was the second largest NME buyer of U.S. wheat in 1987, accepting EEP offers of 4 Mt.

Several developments in 1987 affected imports from the NME's. In February, President Reagan restored most-favored-nation (MFN) status to Poland, which he had suspended in October 1982. In March 1987, he removed Romania from the list of designated beneficiary countries under the U.S. Generalized System of Preferences. This action was based on his

determination that Romania had violated certain internationally recognized worker rights. The President also notified Congress of his decision to continue for another year, until July 2, 1988, the waivers under the emigration provisions of the Trade Act of 1974 extending MFN tariff treatment to imports from China, Hungary, and Romania. In December 1987, the United States and China concluded a 4-year agreement that will quantitatively limit the overall annual growth of U.S. imports of Chinese textiles and apparel to about 3.3 percent. The previous 5-year agreement permitted an average annual increase of approximately 19 percent in the volume of these imports.

During 1987, the Commission concluded six antidumping investigations involving two products imported from NME's: tapered roller bearings from China, Hungary, and Romania and urea from East Germany, Romania, and the Soviet Union. In each case, it determined that a U.S. industry is being materially injured by reason of these imports, found to be sold in the United States at less than fair value, and an antidumping order was issued. The Commission also determined that market disruption exists with respect to imports of ammonium paratungstate and tungstic acid from China. Import relief was provided for the domestic industry in the form of a negotiated orderly market agreement that calls for China to limit its exports of these products to the United States to specified amounts over a 4-year period.

The most noteworthy features of China's economic performance in 1987 were the high rate of its real domestic growth and the achievement of a rough balance in its foreign trade, following 2 years of large trade deficits. The gross value of industrial output increased by 16.5 percent, propelled in part by the rapid growth of rural or village industry. Agricultural performance was less impressive, but an increase of 4.7 percent in the gross value of farm output surpassed the 3.5-percent growth rates of 1985 and 1986. Grain output increased to 402.4 Mt, but was still below 1984's record harvest of 407.3 Mt. The selection of new leadership at the 13th Chinese Communist Party Congress in November reconfirmed China's policy of opening to the international economy and ensured the continuation of domestic economic reform policies. Particular emphasis has been placed on continuing factory management reforms and, in the international sector, on new reforms to increase exports and attract more foreign investment.

According to Soviet data, economic growth in the U.S.S.R. decelerated from 4.1 percent in 1986 to 2.3 percent in 1987. Although the 221 mmt grain harvest was the fourth largest in the country's history, overall agricultural output virtually stagnated during the year under review. Industrial performance was checkered. The majority of firms failed to fulfill their contractual obligations, and shortages of machines and production materials were widespread. But industrial enterprises operating under experimental deregulation performed better than the rest of the industry. Productivity may have increased and the quality of goods produced improved during 1987. Soviet trade turnover in current prices declined for the third consecutive year. The Soviet deficit in trade with the West may have been eliminated altogether. Political determination to

carry out market-oriented economic reforms and modernize Soviet society gathered further momentum.

The aggregate surplus of the six East European NME's in trade with the world increased from \$2.2 billion in 1986 to \$2.9 billion in 1987. Although Romania was the region's sole country whose hard currency gross debt declined during the year under review, Western concern about the Romanian domestic economic and political situation intensified. The growth in Polish and Hungarian debts also gave cause for concern among Western governments and commercial banks. Overall economic and trade developments in Eastern Europe during 1987 promise no improvement in the population's living standards, nor any significant change in the region's circumscribed ability to import Western goods.

TRADE IN 1987 BETWEEN THE UNITED STATES AND THE NONMARKET ECONOMY COUNTRIES

Two-way merchandise trade between the United States and the nonmarket economy countries (NME's) rose in 1987 after declining in 1986 for the first time in 3 years. At \$13.8 billion, the trade turnover in 1987 was 17.9 percent higher than the \$11.7 billion recorded in 1986. During 1987, the United States recorded a trade deficit of \$2.5 billion with the NME's (table 1). This represents the second annual U.S. deficit in trade with the NME's since 1965, the first having occurred in 1986. (Trends in U.S. exports and imports with NME's from 1978-1987 are shown in figure 1.)

U.S. exports to the NME's increased from \$5.1 billion in 1986 to \$5.7 billion in 1987. The value of these exports rose during the first, second and fourth quarters of 1987 and declined slightly during the third quarter (figure 2). The increases were attributable largely to increased sales of wheat and corn to the Soviet Union during the final three quarters of 1987. Sales of these commodities had fallen during 1986 and the first quarter of 1987. The Soviet Union's share of U.S. exports to the NME's rose from 24.6 percent in 1986, valued at \$1.2 billion, to 26.0 percent in 1987, valued at \$1.5 billion (figure 3). Exports to the Soviet Union increased 152 percent and 173 percent during the third and fourth quarters of 1987, respectively, for an increase of 18.5 percent for all of 1987. China's share of U.S. exports to the NME's rose from 60.6 percent in 1986, valued at \$3.1 billion, to 60.9 percent in 1987, valued at \$3.5 billion. Exports to China increased 12.5 percent during 1987. Exports to Eastern Europe remained virtually constant from 1986 to 1987.

U.S. imports from the NME's, which have increased steadily since 1983, rose from \$6.7 billion in 1986 to \$8.1 billion in 1987, an increase of 22.4 percent. In the first quarter, imports from NME's reached \$2.0 billion. After a slight decline in the second quarter, U.S. imports from NME's rose during the third quarter and declined during the fourth quarter (figure 4). China's share of U.S. imports from NME's increased from 70.2 percent during 1986, valued at \$4.7 billion, to 76.7 percent during 1987, for a value of \$6.2 billion. The Soviet Union's share of U.S. imports from NME's fell from 8.3 percent in 1986, valued at \$554.9 million, to 5.0 percent in 1987, valued at \$408.2 million. Eastern Europe's share of imports from the NME's fell from 21.4 percent during 1986, valued at \$1.4 billion, to 18.3 percent during 1987, valued at \$1.5 billion (figure 5).

China

With a total trade turnover of \$9.7 billion in 1987, up 25.2 percent from 1986, China was this nation's largest NME trading partner. Total exports to China increased 12.5 percent, from \$3.1 billion in 1986 to \$3.5 billion in 1987. Total imports from China increased 33.7 percent, from \$4.7 billion in 1986 to \$6.2 billion in 1987 (appendix table A-2). Thus, the U.S. deficit increased 74.5 percent, from \$1.6 billion in 1986 to \$2.8 billion in 1987.

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Table 1.--U.S. trade with the world and with the nonmarket economy countries (NME's), 1/
1985-87, October-December 1986, and October-December 1987

Item	1985	1986	1987	October-December--	
				1986	1987
U.S. world trade:					
Exports-----million dollars--	2/ 212,961	2/ 216,555	2/ 243,859	2/ 56,910	67,844
Imports-----do-----	343,553	368,657	402,066	93,680	107,722
Balance-----do-----	2/ -130,592	2/ -152,101	2/ -158,207	2/ -36,770	-39,878
Trade turnover (exports plus imports) million dollars--	2/ 556,514	2/ 585,212	2/ 645,925	2/ 150,590	175,566
U.S. trade with NME's:					
Exports-----million dollars--	7,022	5,073	5,679	1,034	1,731
Imports-----do-----	5,791	6,656	8,146	1,666	2,023
Balance-----do-----	1,231	-1,584	-2,467	-631	-291
Trade turnover (exports plus imports) million dollars--	12,812	11,729	13,824	2,700	3,754
Share of total U.S. trade accounted for by trade with NME's:					
Exports-----percent--	2/ 3.30	2/ 2.34	2/ 2.33	2/ 1.82	2.55
Imports-----do-----	1.69	1.81	2.03	1.78	1.88

1/ Albania, Bulgaria, China, Cuba, Czechoslovakia, East Germany, Hungary, Mongolia, North Korea, Poland, Romania, the U.S.S.R. (including Estonia, Latvia, and Lithuania), and Vietnam.

2/ Data presented here for 1985-86 differ from figures previously published in earlier reports in the Commission's series on U.S. trade with the NME's due to the inclusion of estimates of the value of undocumented exports to Canada for all time periods. While Census began including an official estimate of these undocumented exports effective with June 1987 data (reported under Schedule B item 818.91), monthly estimates were provided for the January-May 1987 period as were annual estimates for earlier years. These estimated export values have been included for all world totals (and dependent calculations) presented in this report in order to provide comparability across all time periods.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Import figures in this and all other tables in this report are Census-basis imports for consumption at customs value. Exports are domestic exports only, including Defense Department military assistance shipments, and are valued on an f.a.s. basis.

Figure 1.--U.S. trade with the nonmarket economy countries, 1978-1987

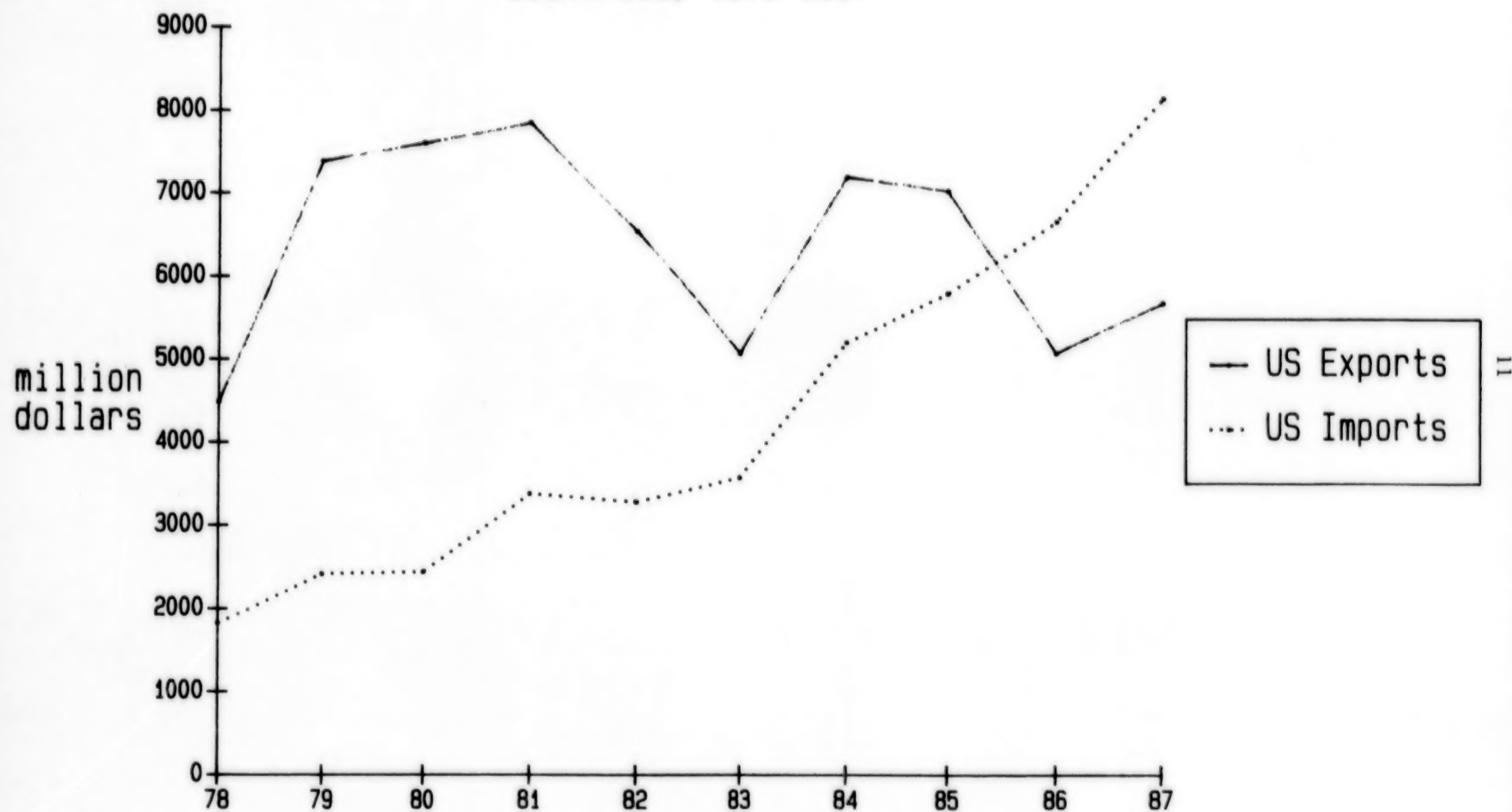


Figure 2.--U.S. exports to the nonmarket economy countries (NME's), China and the U.S.S.R., by quarters, 1st quarter of 1985 through the 4th quarter of 1987

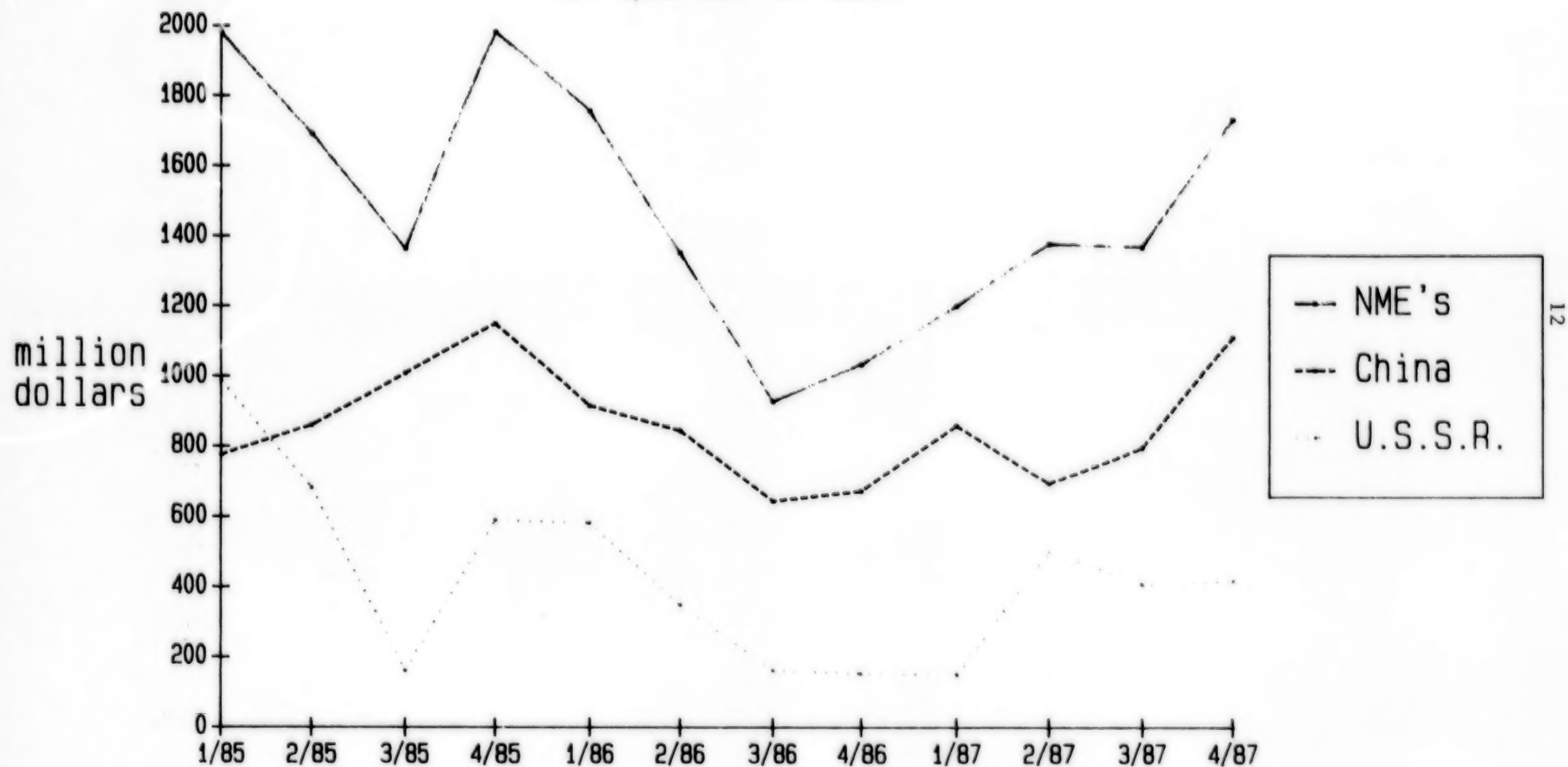
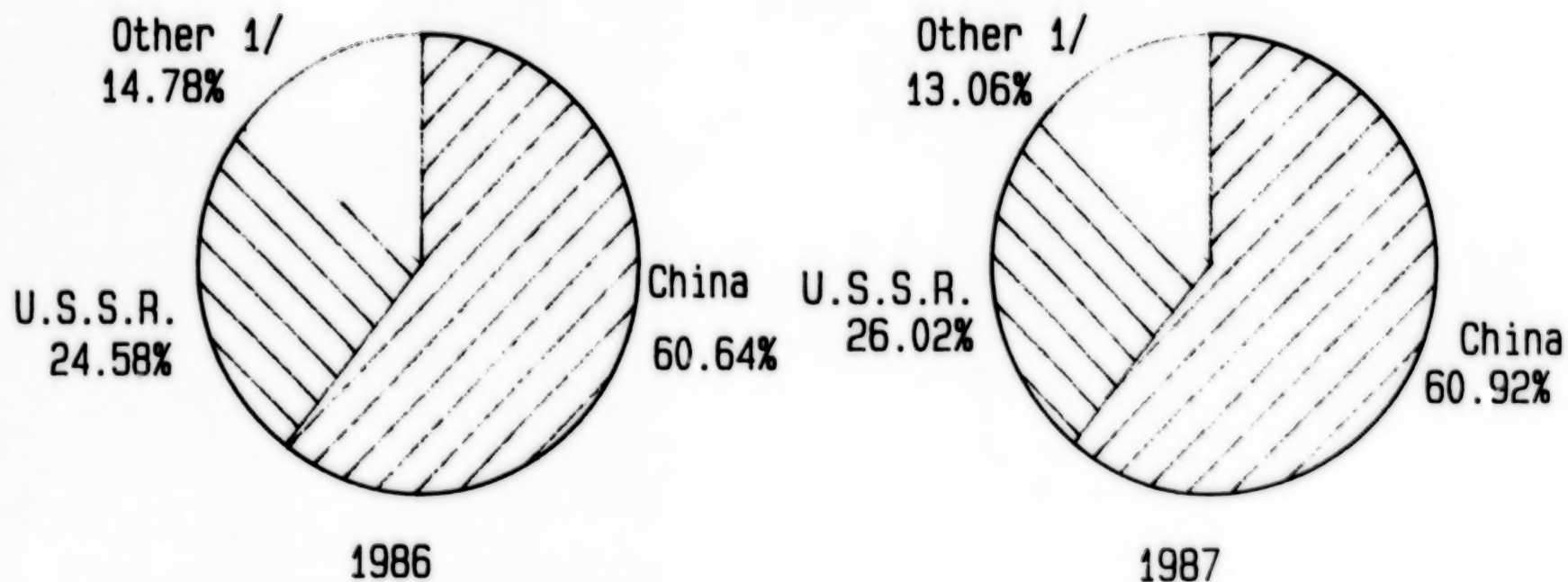


Figure 3.--Relative shares of U.S. exports to the nonmarket economy countries, 1986 and 1987



1/ Poland, Romania, East Germany, Czechoslovakia, Bulgaria, Hungary, Albania, Cuba, Mongolia and Vietnam.

Figure 4.--U.S. imports from the nonmarket economy countries (NME's), China and the U.S.S.R., by quarters, 1st quarter of 1985 through the 4th quarter of 1987

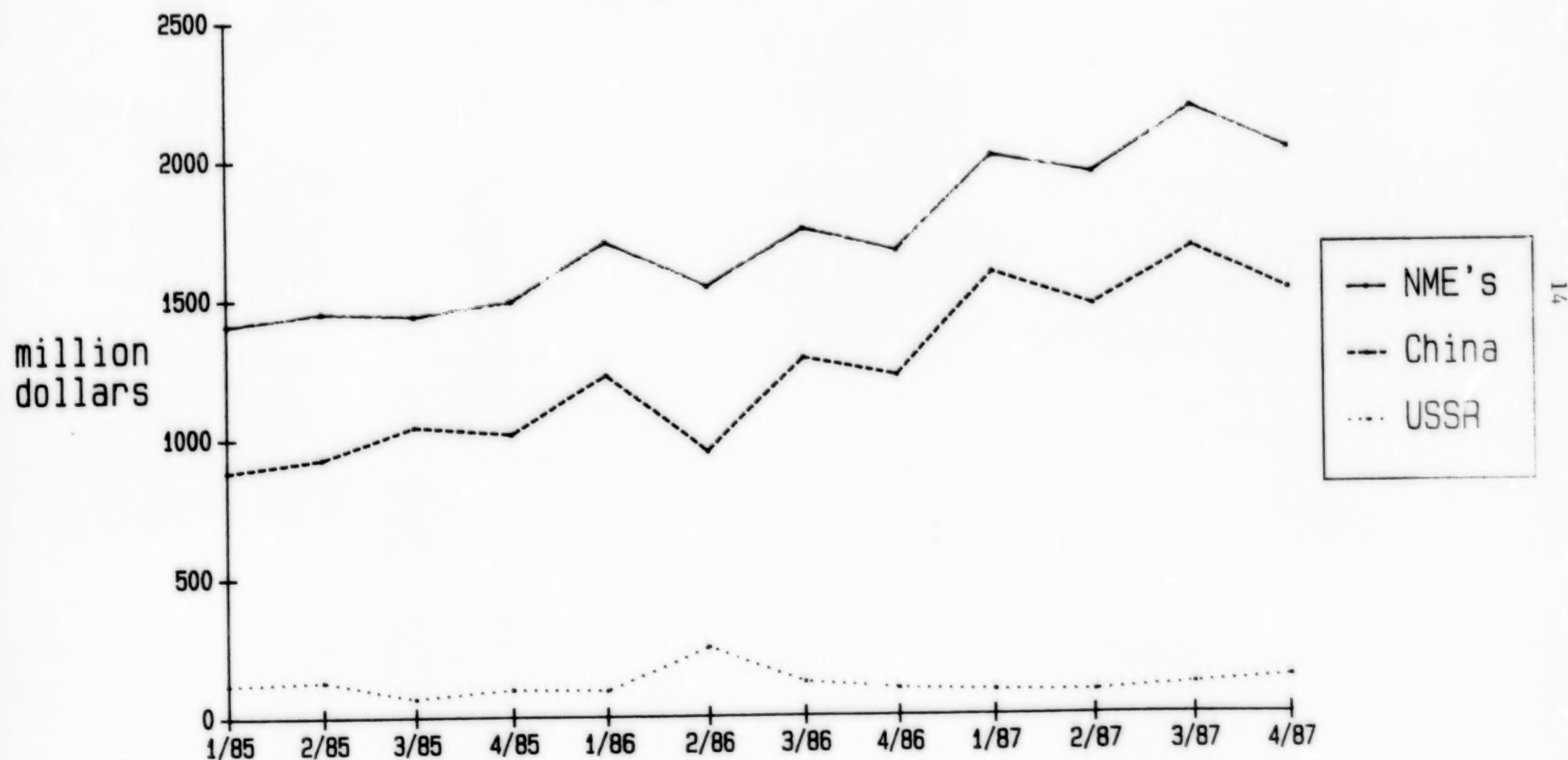
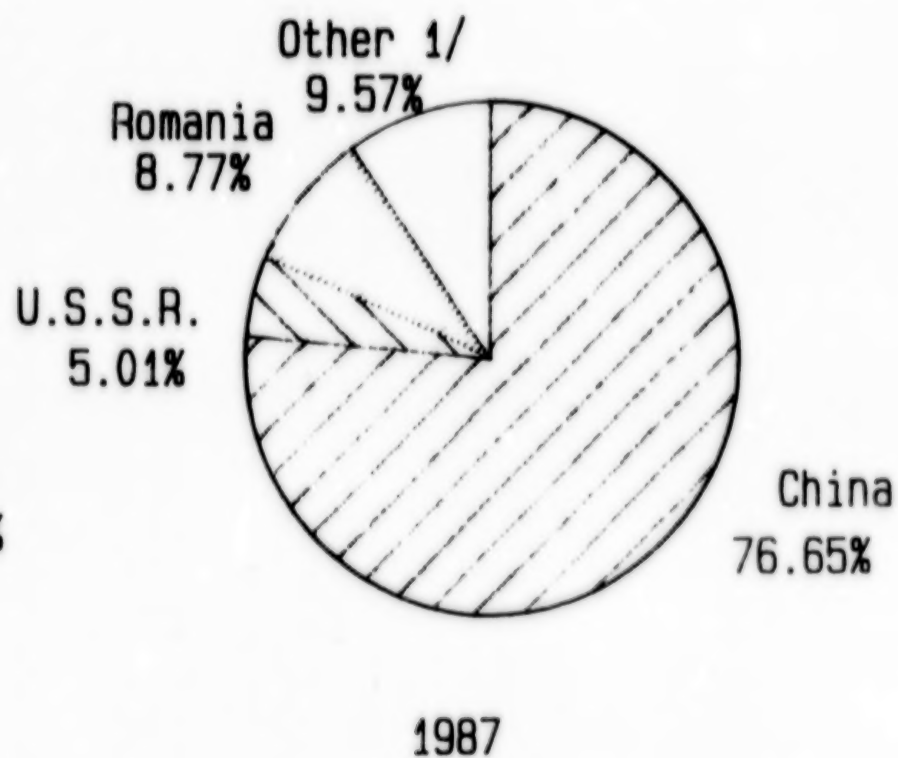
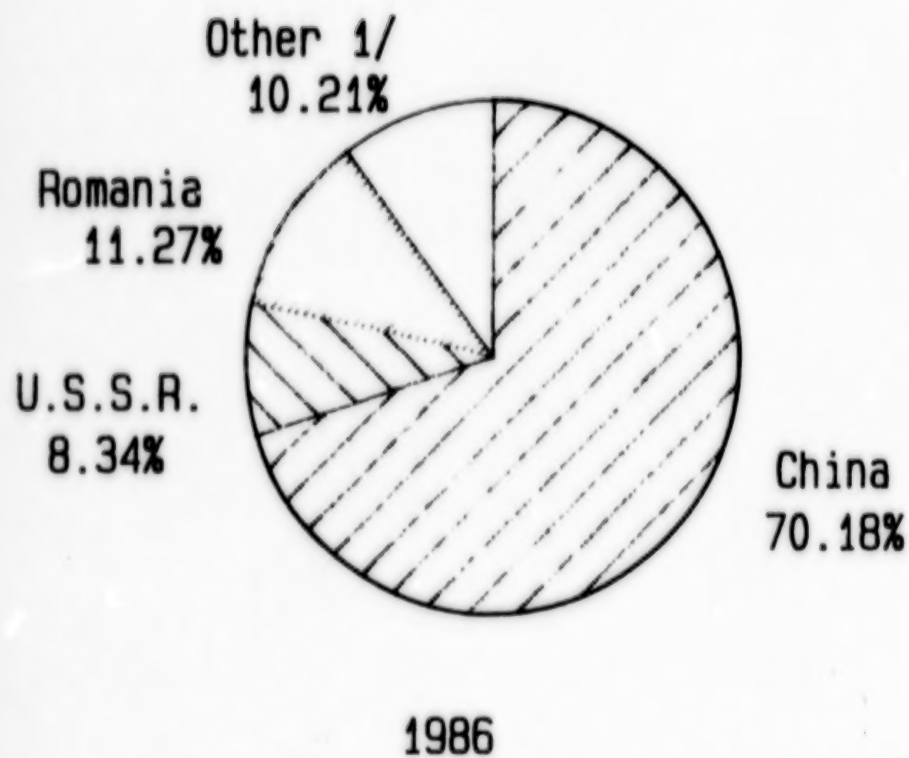


Figure 5.--Relative shares of U.S. imports from the nonmarket economy countries, 1986 and 1987



1/ Hungary, Poland, East Germany, Czechoslovakia, Bulgaria, Mongolia, Albania, Vietnam, North Korea and Cuba.

Machines and equipment ^{1/} continued to be the major category of U.S. exports to China despite a decline from \$2.0 billion in 1986 to \$1.7 billion in 1987. Eight of the top 20 export items to China, including the number one export item, were from SITC Section 7 (appendix table B-3). U.S. exports of professional, scientific and controlling instruments and apparatus (SITC Division 87) and photographic apparatus, equipment and supplies, and optical goods, watches and clocks (SITC Division 88) both declined in 1987. U.S. exports of machinery and transportation equipment (SITC Section 7) declined for the second year in a row, from \$1.7 billion in 1986 to \$1.5 billion in 1987. Declines occurred in shipments of machinery specialized for particular industries (SITC Division 72), metal working machinery (SITC Division 73), office machines and automatic data processing equipment (SITC Division 75), electrical machinery, apparatus and appliances (SITC Division 77) and road vehicles (SITC Division 78). These declines outweighed the increase in shipments of transportation equipment other than road vehicles (SITC Division 79), which remained the largest two-digit SITC Division within SITC Section 7.

Major increases occurred in exports of wheat and yellow corn. Wheat exports increased sharply from \$6.4 million in 1986 to \$139.2 million in 1987, and yellow corn exports increased from \$4.2 million in 1986 to \$94.9 million in 1987. Among other agricultural items, soybeans increased from \$19.4 million in 1986 to \$85.9 million in 1987.

Also noteworthy was the increase in exports of chemicals (SITC Section 5) to China, particularly fertilizers (SITC Division 56), which rose from \$96.1 million in 1986 to \$270.0 million in 1987, an increase of 180.9 percent.

Over 50 percent of U.S. imports from China in 1987 were from SITC Section 8, miscellaneous manufactured articles, and 13 of the top 20 import items ranked according to value fell within this category. Over 50 percent of these imports were apparel (SITC Division 84), which increased from \$1.7 billion in 1986 to \$2.0 billion in 1987. U.S. imports of other textile products such as yarns, fabrics, and home furnishings (SITC Division 65) were also significant, increasing from \$454.8 million in 1986 to \$530.5 million in 1987.

Despite a decline from \$464.7 million in 1986 to \$355.8 million in 1987, crude petroleum continued to head the list of U.S. imports from China ranked according to value (table B-4). Imports of machinery and transportation equipment (SITC Section 7) continued to increase for the fourth year in a row, jumping from \$144.5 million in 1986 to \$468.8 million

^{1/} Machines and equipment are defined here as exports classified in SITC Section 7 (machinery and transportation equipment), SITC Division 87 (professional, scientific and controlling instruments and apparatus), and SITC Division 88 (photographic apparatus, equipment and supplies, and optical goods, watches and clocks). Items in these categories account for most of the technological transfer that takes place through exports of commodities.

in 1987. Most noteworthy were the increases in imports of telecommunications and sound recording and reproducing apparatus and equipment (SITC Division 76), from \$57.1 million in 1986 to \$238.4 million in 1987, and electrical machinery, apparatus and appliances from \$46.5 million in 1986 to \$146.1 million in 1987.

Soviet Union

Total trade between the United States and the Soviet Union increased 4.7 percent from 1986 to 1987, reaching \$1.9 billion in 1987. Total U.S. imports fell 26.4 percent, whereas U.S. exports rose 18.5 percent, resulting in a 54.5-percent increase in the trade surplus in 1987 (table A-3).

In 1987, U.S. exports to the Soviet Union of food and live animals (SITC Section 0) comprised over 50 percent of total U.S. exports to the Soviet Union. Wheat and corn headed the list of U.S. exports to the Soviet Union ranked according to value (table B-5). U.S. exports of wheat increased from nil in 1986 to \$389.1 million (4.8 million metric tons [Mt]), and U.S. exports of corn rose from \$280.6 million (2.6 Mt) in 1986 to \$381.5 million (5.2 Mt) in 1987. In contrast, exports of soybeans (SITC Subgroup 2222) fell from \$313.0 million (1.5 Mt) in 1986 to \$42.7 million (0.2 Mt) in 1987. The third major export item was fertilizers (SITC Division 56), which fell from \$261.5 million in 1986 to \$228.6 million in 1987. Exports of animal feed (SITC Division 08) increased from nil in 1986 to \$57.6 million in 1987. U.S. exports of professional, scientific and controlling instruments and apparatus to the Soviet Union also increased, from \$10.8 million in 1986 to \$52.5 million in 1987, but exports of machinery and transportation equipment declined from \$156.3 million to \$87.5 million.

The decline in imports from the Soviet Union in 1987 was primarily attributable to a decrease in imports of gold bullion, which fell from \$154.3 million in 1986 to \$371,471 in 1987. Important declines also occurred in imports of fertilizers, which fell from \$59.7 million in 1986 to \$10.9 million in 1987. Silver, platinum and other metals (SITC Group 681) and petroleum and petroleum products (SITC Division 33) were among the major U.S. imports from the Soviet Union in 1987 (table B-6).

Eastern Europe

Total trade between the United States and Eastern Europe increased 3.0 percent in 1987 to reach a level of \$2.2 billion. Imports rose 4.6 percent to \$1.5 billion, whereas exports fell 0.1 percent to \$712.6 million, resulting in a U.S. trade deficit of \$777.5 million, a 9.3 percent increase over the trade deficit of 1986 (table A-4).

The major export categories, ranked according to value, were food and live animals, particularly wheat and corn; inedible crude materials other

than fuel (SITC Section 2); and machinery and transportation equipment. Soybeans were the leading item exported to Eastern Europe in 1987 (table B-7). The top three import categories in 1987, ranked according to value, were mineral fuels, lubricants, etc. (SITC Section 3), consisting almost entirely of refined petroleum products (SITC Group 334); manufactured goods classified by chief material (SITC Section 6); and miscellaneous manufactured articles (SITC Section 8), largely apparel. Unleaded gasoline was the single largest import item, with shipments having increased from \$92.4 million in 1986 to \$325.8 million in 1987 (table B-8).

Total trade between the United States and Romania fell in 1987 to \$906.5 million, a decline of 9.3 percent. U.S. exports fell 22.9 percent to \$192.1 million, whereas imports fell 4.8 percent to \$714.4 million, resulting in a U.S. deficit in this trade of \$522.3 million, an increase of 4.3 percent over the 1986 deficit.

By far the largest category of U.S. exports to Romania, ranked according to value, was inedible crude materials other than fuel, the vast majority of which was soybeans. Soybean exports to Romania increased 65.3 percent in 1987 and headed the list of individual export items. The second major export category was mineral fuels, lubricants, etc., of which most was coal. Despite a more than 50 percent decline in 1987, machinery and transportation equipment placed third, with the major item being parts of steam turbines.

Imports of mineral fuels, lubricants, etc. surpassed those of all other SITC single-digit categories. Increasing 252.7 percent in 1987, unleaded gasoline topped the list of items imported by the United States from Romania. Fuel oils were also among the top five imported items. Of the top 20 imported items ranked according to value, 9 were miscellaneous manufactured articles and 5 of these were apparel. The largest percentage increase from 1986 to 1987 was in imports of women's cotton slacks, which increased 342 percent.

Total trade between the United States and Poland increased 41.7 percent in 1987, reaching \$532.9 million. From 1986 to 1987 exports increased 63.5 percent to \$237.4 million and imports increased 27.9 percent to \$295.5 million, resulting in a trade deficit of \$58.1 million, a decrease of 32.3 percent.

Imports of food and live animals far exceeded imports from any other single-digit SITC category. With a value of \$118.3 million, canned hams were the major imported item. Frozen pollock ranked second at \$25.5 million, a 151.8 percent increase over 1986.

The top category among U.S. exports to Poland was also food and live animals, which reached \$86.2 million in 1987. Wheat was the major export, increasing 841.8 percent to \$67.2 million. The second-ranking export item was products donated for relief or charity, which increased 18.4 percent in 1987 to \$29.0 million. In third place were fertilizers, which fell 4.9 percent to \$17.1 million in 1987.

U.S. trade with Hungary in 1987 reached \$371.8 million, an increase of 19.1 percent over this trade in 1986. Exports increased 6.7 percent to \$94.1 million, and imports increased 24.0 percent to \$277.6 million, resulting in a 35.2-percent increase in the U.S. trade deficit to \$183.5 million in 1987.

U.S. imports from Hungary were more evenly distributed among the single-digit SITC categories. The top three categories were miscellaneous manufactured articles at \$68.4 million, machinery and transportation equipment at \$65.4 million, and food and live animals at \$65.3 million. At \$48.0 million, manufactured goods classified by chief material (SITC Section 6) was fourth. Canned hams headed the list of imports ranked according to value at \$34.2 million. Increasing 92 percent to \$32.7 million, parts of motor vehicles placed second.

Machinery and transportation equipment, chemicals, and food and live animals were the three leading categories of U.S. exports to Hungary. Soybean oil cake and meal remained the leading export item despite a 17.7 percent decline from 1986. With a 444.4-percent increase over 1986 levels, fertilizers placed second.

Trade with East Germany declined 9.6 percent in 1987 to \$138.2 million. U.S. imports fell 0.9 percent to \$84.5 million, and U.S. exports fell 20.6 percent to \$53.7 million. As a result, the U.S. deficit in this trade increased by 74.4 percent to \$30.8 million.

U.S. trade with Czechoslovakia fell 18.4 percent to \$124.7 million in 1987. Imports declined 8.8 percent to \$77.8 million, and exports fell 30.5 percent to \$46.9 million, resulting in a 73.8-percent increase in the trade deficit to \$30.9 million.

The U.S. trade turnover with Bulgaria declined 11.6 percent to \$128.7 million in 1987. Imports fell 18.9 percent to \$40.3 million, and exports declined 7.8 percent to \$88.3 million, resulting in a trade surplus of \$48.0 million, a 4.0-percent increase over the 1986 surplus.

U.S. Exports

Total U.S. exports to the NME's rose 11.9 percent from 1986 to 1987, following a 27.8 percent decline the previous year. (U.S. exports to individual NME's are shown in table 2.) The increase was largely attributable to a roughly 150-percent increase in exports of food and live animals, largely grains, from \$0.5 billion in 1986 to \$1.3 billion in 1987, a level still some 37 percent below the \$2.0 billion level of 1985. Exports of food and live animals to China increased more than tenfold to \$258.1 million in 1987 from \$20.6 million in 1986. Exports of food and live animals to the Soviet Union more than doubled from \$318.2 million in 1986 to \$859.9 million in 1987. The substantial increase in food and live

Table 2.--U.S. exports to the individual nonmarket economy countries and to the world, 1985-87, October-December 1986, and October-December 1987

Market	(In thousands of dollars)				
	1985	1986	1987	October-December--	
				1986	1987
Albania-----	11,908	4,506	3,344	4	1,003
Bulgaria-----	103,489	95,865	88,344	9,539	30,272
China-----	3,796,200	3,076,023	3,459,595	672,586	1,110,120
Cuba-----	1,113	1,553	1,379	276	387
Czechoslovakia-----	62,623	67,535	46,942	23,486	13,515
East Germany-----	72,253	67,624	53,695	37,798	11,960
Hungary-----	92,094	88,216	94,106	41,480	28,620
Mongolia-----	32	77	869	3	-
North Korea-----	-	-	-	-	-
Poland-----	233,702	145,155	237,399	35,040	88,086
Romania-----	206,451	249,226	192,107	52,853	22,674
U.S.S.R-----	2,421,948	1,246,831	1,477,399	153,058	418,229
Vietnam-----	19,875	29,986	23,422	8,290	6,355
Total-----	7,021,687	5,072,596	5,678,602	1,034,413	1,731,221
Total, U.S. exports to the world-----	1/ 212,961,312	1/ 216,555,202	1/ 243,858,925	1/ 56,910,445	67,843,986

1/ Data presented here for 1985-86 differ from figures previously published in earlier reports in the Commission's series on U.S. trade with the NME's due to the inclusion of estimates of the value of undocumented exports to Canada for all time periods. While Census began including an official estimate of these undocumented exports effective with June 1987 data (reported under Schedule B item 818.91), monthly estimates were provided for the January-May 1987 period as were annual estimates for earlier years. These estimated export values have been included for all world totals (and dependent calculations) presented in this report in order to provide comparability across all time periods.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

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animal exports more than compensated for the decline in exports of machines and equipment from \$2.3 billion in 1986 to \$2.0 billion in 1987. (U.S. exports to the world and to the NME's by SITC section are shown in table 3.)

Machinery and transportation equipment (SITC Section 7) accounted for the largest share, or 30.2 percent, of all U.S. exports to the NME's during 1987. Exports of food and live animals (SITC Section 0), largely wheat and corn (SITC Subgroups 0410 and 0440), comprised 22.6 percent of all U.S. exports to the NME's during 1987. Ranked by value, exports of wheat were the single largest export item to the NME's in 1987. The major NME customer was the Soviet Union. Exports of chemicals (SITC Section 5) comprised 20.3 percent of all U.S. exports to the NME's. (U.S. exports to the individual NME's during October-December 1987 are shown by SITC Section in table 4. U.S. exports to the NME's which changed substantially between 1986 and 1987 are shown in table 5. The 20 U.S. export items for which the NME's collectively accounted for the largest market share in 1987 are shown in table 6.)

Machines and equipment

U.S. exports of machines and equipment (SITC Section 7 and Divisions 87 and 88) decreased for the second year in a row in 1987, falling from \$2.3 billion in 1986 to \$2.0 billion in 1987. The decrease is attributable largely to the decline in exports of machinery and transportation equipment to China and the Soviet Union.

Sales to the Soviet Union of machinery and transportation equipment fell from a 4-year high of \$156.3 million in 1986, to a 5-year low of \$87.5 million in 1987. Sales to China decreased from \$1.7 billion in 1986 to \$1.5 billion in 1987. Nevertheless, China remained the major NME customer of these products during 1987. Despite the decline, exports of items in this category represented the single largest category of U.S. exports to the NME's. Exports of items in this category increased steadily from 1982 to 1985, doubling from 1984 to 1985. During 1987, exports of four of the nine two-digit SITC categories increased: transportation equipment other than road vehicles (SITC Division 79), general industrial machinery (SITC Division 74), power generating machinery and equipment (SITC Division 71), and telecommunications and sound recording and reproducing apparatus and equipment (SITC Division 76).

U.S. exports of transportation equipment other than road vehicles to the NME's increased from \$464.0 million in 1986 to \$503.1 million in 1987. Since 1983, virtually all of the sales in this category have been to China. The overall increase in sales in this category to the NME's occurred despite a dramatic 96 percent decline, from \$170.7 million in 1986 to \$7.2 million in 1987, in sales to China of railway vehicles and associated equipment (SITC Group 791). This decline was more than offset by the significant increase, from \$291.9 million to \$483.8 million, in sales of

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Table 3.--U.S. exports to the world and to the nonmarket economy countries (NME's), 1/
by SITC Sections, 1986 and 1987

SITC Section	Total exports		Exports to the NME's	
	1986	1987	1986	1987
Value (million dollars)				
0. Food and live animals-----	17,156	19,017	511	1,286
1. Beverages and tobacco-----	2,920	3,667	17	19
2. Crude materials--inedible, except fuel-----	17,288	20,375	815	645
3. Mineral fuels, lubricants, etc-----	8,157	7,749	134	121
4. Oils and fats--animal and vegetable-----	1,045	1,037	22	20
5. Chemicals-----	22,808	26,369	828	1,155
6. Manufactured goods classified by chief material-----	14,467	17,719	242	275
7. Machinery and transportation equipment-----	95,389	108,747	2,004	1,715
8. Miscellaneous manufactured articles-----	16,214	18,835	422	358
9. Commodities and transactions not elsewhere classified-----	2/ 21,112	2/ 20,345	78	85
Total-----	2/ 216,555	2/ 243,859	5,073	5,679
Percent of total				
0. Food and live animals-----	7.9	7.8	10.1	22.6
1. Beverages and tobacco-----	1.4	1.5	.3	.3
2. Crude materials--inedible, except fuel-----	8.0	8.4	16.1	11.4
3. Mineral fuels, lubricants, etc-----	3.8	3.2	2.7	2.1
4. Oils and fats--animal and vegetable-----	.5	.4	.4	.4
5. Chemicals-----	10.5	10.8	16.3	20.3
6. Manufactured goods classified by chief material-----	6.7	7.3	4.8	4.8
7. Machinery and transportation equipment-----	44.0	44.6	39.5	30.2
8. Miscellaneous manufactured articles-----	7.5	7.7	8.3	6.3
9. Commodities and transactions not elsewhere classified-----	9.7	8.3	1.5	1.5
Total-----	100.0	100.0	100.0	100.0

1/ Albania, Bulgaria, China, Cuba, Czechoslovakia, East Germany, Hungary, Mongolia, North Korea, Poland, Romania, the U.S.S.R. (including Estonia, Latvia, and Lithuania), and Vietnam.

2/ Data presented here for 1986 differ from figures previously published in earlier reports in the Commission's series on U.S. trade with the NME's due to the inclusion of estimates of the value of undocumented exports to Canada for all time periods. While Census began including an official estimate of these undocumented exports effective with June 1987 data (reported under SITC Section 9), monthly estimates were provided for the January-May 1987 period as were annual estimates for earlier years. These estimated export values have been included for all world totals (and dependent calculations) presented in this report in order to provide comparability across all time periods.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table 4.--U.S. exports to the nonmarket economy countries, by SITC Sections, October-December 1987

(In thousands of dollars)								
SITC Section	Albania	Bulgaria	China	Cuba	Czecho- slovakia	East Germany	Hungary	
0. Food and live animals-----	-	13,811	94,602	-	105	5,109	8,348	
1. Beverages and tobacco-----	-	1,484	347	-	609	-	852	
2. Crude materials--inedible, except fuel-----	-	4,906	133,549	-	4,905	1,470	1,362	
3. Mineral fuels, lubricants, etc-----	1,003	-	309	-	44	-	4	
4. Oils and fats--animal and vegetable-----	-	-	34	-	-	36	-	
5. Chemicals-----	-	2,322	289,891	249	589	198	7,796	
6. Manufactured goods classified by chief material-----	-	404	55,454	-	948	122	1,640	
7. Machinery and transportation equipment-----	-	6,133	477,460	-	4,198	3,253	7,170	
8. Miscellaneous manufactured articles-----	-	1,140	51,624	15	1,933	1,671	856	
9. Commodities and transactions not elsewhere classified-----	-	71	6,849	124	184	100	593	
Total-----	1,003	30,272	1,110,120	387	13,515	11,960	28,620	
	Mongolia	North Korea	Poland	Romania	U.S.S.R.	Vietnam	Total	
0. Food and live animals-----	-	-	37,499	318	236,015	-	395,805	
1. Beverages and tobacco-----	-	-	1,550	-	11	-	4,853	
2. Crude materials--inedible, except fuel-----	-	-	8,529	3,569	31,412	-	189,701	
3. Mineral fuels, lubricants, etc-----	-	-	3,681	13,555	7,350	-	25,946	
4. Oils and fats--animal and vegetable-----	-	-	-	-	2,518	-	2,589	
5. Chemicals-----	-	-	11,411	2,669	75,786	8	390,919	
6. Manufactured goods classified by chief material-----	-	-	1,619	450	3,973	5	64,616	
7. Machinery and transportation equipment-----	-	-	12,181	1,006	32,786	-	544,188	
8. Miscellaneous manufactured articles-----	-	-	3,195	1,038	28,032	3	89,506	
9. Commodities and transactions not elsewhere classified-----	-	-	8,422	69	348	6,339	23,099	
Total-----	-	-	88,086	22,674	418,229	6,355	1,731,221	

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table 5.--20 U.S. export items to the nonmarket economy countries (NME's) which changed substantially, by Schedule B nos., 1986 and 1987 1/

Schedule B no.	Commodity	Major NME customer	Percentage change, 1987 from 1986		Value of exports to all NME's in 1987 1,000 dollars
			All NME's	World	
			-----Percent-----		
	Substantially increased:				
130.6540	Wheat, unmilled, not donated for relief or charity-----	U.S.S.R-----	4,296.0	1.5	595.555
660.1526	Parts n.s.p.f. of economizers and other machinery for use with vapor generating boilers, and of condensers for vapor engines-----	China-----	3,740.6	62.8	20.483
441.9000	Artificial mixtures for therapeutic or prophylactic uses, with neither antibiotics nor vitamins, not packaged for retail-----	do-----	1,329.5	3.9	13.411
678.4515	Cigarette and cigar-making machines and parts thereof-----	do-----	995.4	114.7	9.640
661.1267	Gas compressors n.s.p.f., including reciprocating and rotary, over 250 but not over 1,000 horsepower-----	do-----	750.3	84.5	7.963
250.0225	Wood pulp, sulphite, bleached, n.e.s-----	do-----	729.7	50.7	16.197
685.2725	Transceivers, not handheld, other than citizens band (CB), for frequencies over 400 MHz, not for use in civil aircraft-----	do-----	595.2	-5.9	4.462
605.5620	Platinum metal (except alloys), not rolled-----	do-----	580.4	10.5	3.949
771.4900	Film, strips, and sheets, of polyester-----	do-----	518.2	10.1	9.879
421.0850	Dry hydroxide sodium compounds-----	do-----	435.1	39.8	4.353
	Substantially decreased:				
690.0510	Locomotives and tenders, diesel-electric, rail-service type-----	China-----	-98.6	-87.3	2.250
310.0010	Textured yarns, of polyester-----	do-----	-96.7	-58.6	1.125
692.1680	Special-purpose motor vehicles, nonmilitary, n.s.p.f-----	do-----	-94.3	-34.0	2.254
692.1660	Trucks mounted with derrick assemblies, and similar drilling equipment-----	do-----	-91.7	-67.2	1.493
692.3160	Tracklaying tractors, new, with a net engine horsepower rating of 345 horsepower and over-----	U.S.S.R-----	-90.0	-28.0	4.482
674.2009	Rolling-mill machinery and parts, n.e.s-----	China-----	-88.0	-27.5	2.187
664.0577	Rippers and rotors (attachments for excavating machinery)-----	U.S.S.R-----	-86.8	-56.2	508
446.1561	Synthetic rubber, not containing fillers, pigments, or rubber- processing chemicals, n.s.p.f-----	China-----	-85.5	2.2	2.135
*664.0591	Parts, n.e.s., of levelling, boring, and extracting machinery, n.s.p.f-----	do-----	-85.3	-6.4	1.924
818.3100	Food products, n.s.p.f., donated for relief or charity-----	Romania-----	-84.8	76.9	1.566

1/ Only items which accounted for at least 500,000 dollars' worth of exports in both 1986 and 1987 are included in this table.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 6.--20 U.S. export items for which the nonmarket economy countries (NME's) collectively accounted for the largest market share in 1987, by Schedule B nos., 1986 and 1987 1/

Schedule B no.	Commodity	Major NME customer	Share of total exports accounted for by NME's		Value of exports to all NME's in 1987 1,000 dollars
			1986	1987	
			-----Percent-----		
155.2045	Crystalline or dry amorphous sugars, sirups, and molasses from cane or beets, n.s.p.f.	China-----	.0	97.0	15.636
674.3248	Combination boring, drilling, and milling machines n.s.p.f., new, valued at least \$2,500 each, horizontal spindle-----	-----do-----	.0	88.6	1.337
699.0040	Dredges, nonmilitary, new-----	-----do-----	.0	75.4	9.360
106.9200	Swine (pork) livers, fresh, chilled or frozen-----	East Germany----	31.5	70.9	2.206
660.1018	Water tube stationary steam generating boilers, with a steam capacity of over 400,000 pounds of steam per hour-----	China-----	65.8	68.5	2.443
680.2020	Check taps, cocks, valves, and similar devices n.s.p.f., of copper or copper alloys, 125 pounds working pressure and over-----	-----do-----	1.8	61.7	3.383
475.4555	Insulating or transformer oils-----	U.S.S.R-----	53.2	60.8	16.055
660.1526	Parts n.s.p.f. of economizers and other machinery for use with vapor generating boilers, and of condensers for vapor engines-----	China-----	2.4	56.3	20.483
674.2004	Hot rolling mills for ferrous metal, except tube rolling, and parts thereof-----	-----do-----	78.3	56.1	6.639
475.4510	Aviation engine lubricating oil, except jet engine lubricating oil-----	U.S.S.R-----	22.3	53.3	5.746
790.5570	Pressure sensitive tape having a rubberized textile backing, except surgical or medicated tape and tape of unwoven fiber-----	-----do-----	38.2	52.6	8.516
818.3900	Products, n.e.s., donated for relief or charity-----	Poland-----	52.9	50.4	53.181
670.4365	Parts of bleaching, dyeing, washing, and cleaning machines, n.s.p.f.-----	China-----	.0	46.0	1.320
338.2932	Woven fabrics, wholly of polyester, containing textured yarns, over 5 ounces per square yard-----	-----do-----	23.7	43.0	8.884
664.1074	Pipehandlers, n.s.p.f.-----	Bulgaria-----	57.5	42.7	3.755
674.3507	Horizontal lathes n.s.p.f., new, valued at least \$2,500 each, with numerical controls and a horsepower rating of 25 to 50 hp-----	China-----	16.8	42.2	1.540
670.4320	Bleaching, dyeing, washing, and cleaning machines n.s.p.f., for textile filaments, yarns, fabrics or made-up textile articles-----	-----do-----	19.6	42.2	3.924
338.2936	Woven fabrics, of polyester, n.s.p.f.-----	-----do-----	.7	42.1	9.530
678.4515	Cigarette and cigar-making machines and parts thereof-----	-----do-----	8.2	41.6	9.640
661.1267	Gas compressors n.s.p.f., including reciprocating and rotary, over 250 but not over 1,000 horsepower-----	-----do-----	8.5	39.4	7.963

1/ Only items which accounted for at least 1 million dollars' worth of exports in 1987 are included in this table.

Source: Compiled from official statistics of the U.S. Department of Commerce.

aircraft and associated equipment and parts (SITC Group 792) to China. However, in 1987 aircraft headed the list of the 20 top export items to China, and ranked fourth in exports to all NME's. Sales of aircraft and associated equipment and parts to Eastern Europe also increased, from \$1.1 million to \$2.4 million in 1987.

Exports to NME's of machinery specialized for particular industries (SITC Division 72) have been the second highest value item in SITC Section 7 since 1983 despite declines in both 1986 and 1987. From 1986 to 1987, sales to all NME's of items in this two-digit category fell from \$467.2 million to \$311.3 million. Items in this two-digit SITC category accounted for the largest share of U.S. exports of machinery and transportation equipment to the Soviet Union as well as of those to Eastern Europe; and the second largest share of those to China. Sales to Eastern Europe rose to \$51.4 million in 1987, their highest level since 1979. In contrast, sales to both the Soviet Union and China fell from 1986 to 1987.

Exports to the Soviet Union fell substantially, from \$85.5 million in 1986 to \$26.9 million in 1987. The decline was largely attributable to decreases in sales of two commodity groups: tractors (SITC Group 722) fell from \$38.3 million in 1986 to \$5.1 million in 1987 and civil engineering and contractors' plant and equipment and parts thereof (SITC Group 723) fell from \$41.7 million in 1986 to \$6.2 million in 1987. These declines outweighed the increases in sales of textile and leather machinery (SITC Group 724) from \$0.4 million in 1986 to \$3.0 million in 1987 and of other machinery and equipment, (SITC Group 728) from \$3.2 million in 1986 to \$12.0 million in 1987.

Exports to China of machinery specialized for particular industries fell from \$338.2 million in 1986 to \$233.0 million in 1987. This decline is attributable largely to a sharp decline in exports of civil engineering and contractors' plant and equipment and parts thereof from \$138.6 million in 1986 to \$59.7 million in 1987. Declines also occurred in exports of agricultural machinery (excluding tractors) and parts thereof (SITC Group 721), from \$11.2 million in 1986 to \$6.1 million in 1987; and in other machinery and equipment, which fell from a 5-year high of \$156.3 million in 1986 to \$128.4 million in 1987.

U.S. exports to the NME's of road vehicles (SITC Division 78) fell precipitously, from \$119.7 million in 1986 to \$48.7 million in 1987. The decline was largely attributable to declines in exports to the Soviet Union and China. Exports to the Soviet Union fell from \$26.2 million in 1986 to \$10.0 million in 1987; those to China fell from \$85.0 million in 1986 to \$23.0 million in 1987. Particularly noteworthy was the decline in sales to the Soviet Union of parts and accessories (SITC Group 784), which fell from \$22.6 million in 1986 to \$8.7 million in 1987, a 5-year low. The decline in sales to the Soviet Union was partially offset by increased sales to Eastern Europe, from \$7.1 million in 1986 to \$14.3 million in 1987. Sales to the Soviet Union of motor vehicles for the transport of goods or materials and special purpose motor vehicles (SITC Group 782), which had been non-existent from 1983 to 1985, declined from the 1986 record of

\$3.6 million to \$0.5 million. Sales of items in this group to China fell from \$62.7 million in 1986 to a 5-year low of \$3.9 million in 1987.

Other substantial advanced capital-goods exports to the NME's included professional, scientific, and controlling instruments and apparatus (SITC Division 87). From 1986 to 1987, exports in this division decreased from \$275.4 million to \$231.6 million. The decline was attributable to decreased exports to China, which fell from \$251.4 million in 1986 to \$164.7 million in 1987. This decline was not offset by increased sales to the Soviet Union and Eastern Europe. Exports to the Soviet Union increased from \$10.8 million in 1986 to \$52.5 million in 1987. Exports to Eastern Europe increased less dramatically, from \$13.2 million in 1986 to \$14.3 million in 1987.

Grains

Combined U.S. exports to the NME's of corn and wheat increased substantially, from the 15-year low in 1986 of \$368.5 million to \$1.1 billion in 1987.

The increase was due largely to increased sales of wheat, from \$13.5 million (85,225 metric tons [t]) in 1986 to \$595.6 million (7.6 million metric tons [Mt]) in 1987. After having made no purchases in 1986, the Soviet Union's purchases reached \$389.1 million in 1987. Exports to China also increased dramatically, from \$6.4 million in 1986 to \$139.2 million in 1987. Sales to Eastern Europe, which went entirely to Poland, rose from \$7.1 million in 1986 to \$67.2 million in 1987.

Corn exports to the NME's also increased in 1987, from \$354.9 million (3.3 Mt) in 1986 to \$529.1 million (7.1 Mt) in 1987. The most notable increase occurred in sales to China, which increased from \$4.2 million in 1986 to \$94.9 million in 1987. Exports to the Soviet Union also increased, from \$280.6 million in 1986 to \$381.5 million in 1987. In contrast, corn exports to Eastern Europe fell from \$70.1 million in 1986 to \$52.7 million in 1987. This decline is explained by the absence of Romanian purchases in 1987, following 1986 purchases of \$20.8 million.

Chemicals

U.S. exports of chemicals to the NME's rose to a 5-year record of \$1.2 billion in 1987, from \$827.8 million in 1986. The increase is due to a sizable increase in shipments to China, from \$441.3 million in 1986 to \$810.0 million in 1987. Shipments to the Soviet Union fell from \$288.0 million in 1986 to \$263.9 million in 1987, and exports to Eastern Europe fell from \$97.3 million in 1986 to \$80.2 million in 1987.

Exports to the NME's of fertilizers (SITC Division 56), the largest single export item in this SITC section, rose from \$404.7 million in 1986 to \$539.8 million in 1987. The increase was due to increased sales to China, which rose from \$96.1 million in 1986 to \$270.0 million in 1987.

This increase more than offset the declines in shipments to the Soviet Union, from \$261.5 million in 1986 to \$228.6 million in 1987, and to Eastern Europe, from \$47.1 million in 1986 to \$41.1 million in 1987.

Exports to the NME's of artificial resins and plastic materials (SITC Division 58) rose from \$198.4 million in 1986 to \$261.3 million in 1987. The bulk of these sales were to China, which increased its purchases from \$193.3 million in 1986 to \$254.5 million in 1987. From 1986 to 1987 exports to the Soviet Union and Eastern Europe also increased, from \$2.9 million to \$3.4 million and from \$2.2 million to \$3.4 million, respectively.

Exports to the NME's of organic chemicals (SITC Division 51) constituted the third most important item in this SITC section and rose from \$88.7 million in 1986 to \$156.9 million in 1987, the highest level in the past 5 years. The increase in sales to China, from \$73.8 million in 1986 to \$149.9 million in 1987, explains the rise. Sales to the Soviet Union declined from \$6.0 million in 1986 to \$2.7 million in 1987. Sales to Eastern Europe also declined, from \$8.8 million in 1986 to \$4.3 million in 1987.

Crude materials

U.S. exports of crude materials (SITC Section 2) to the NME's fell from \$814.6 million in 1986 to \$644.6 million in 1987, reaching the lowest level since 1978. Declines occurred in exports of hides and skins (SITC Division 21), oil seeds and oleaginous fruit (SITC Division 22), crude rubber (SITC Division 23), cork and wood (SITC Division 24), and metalliferous ores and metal scrap (SITC Division 28). Increases occurred in pulp and waste paper (SITC Division 25), textile fibers and their waste (SITC Division 26), crude fertilizer and crude minerals (excluding coal, petroleum and precious stones) (SITC Division 27), and crude animal and vegetable materials (SITC Division 29).

Soybean (SITC Subgroup 2222) exports accounted for almost all the exports of oil seeds and oleaginous fruit to the NME's and were number five among all U.S. exports to the NME's ranked according to value. In 1987, soybeans accounted for \$219.5 million of the \$219.6 million in exports of oil seeds and oleaginous fruit.

The decline in U.S. exports to the NME's of oil seeds and oleaginous fruit from \$395.8 million in 1986 to \$219.6 million in 1987, is explained by the sharp decline in soybean exports to the Soviet Union from \$313.0 million in 1986 to \$42.7 million in 1987.

The decline in U.S. soybean exports to the Soviet Union was partly offset by higher shipments to China and Eastern Europe. Exports to China rose dramatically, from \$19.4 million in 1986 to \$85.9 million in 1987, and exports to Eastern Europe rose from \$63.0 million in 1986 to \$90.9 million in 1987.

U.S. shipments of cork and wood to the NME's fell for the second year in a row, from \$179.7 million in 1986 to \$167.6 million in 1987. These shipments consisted almost entirely of softwood logs (SITC Group 247) to China, which declined from \$178.5 million in 1986 to \$164.6 million in 1987. The decline in exports to China of softwood logs since 1985 is probably the result of the tightening of import restrictions in 1985 and 1986 and the imposition of additional controls on foreign-exchange expenditures in early 1987.

U.S. exports of textile fibers and their wastes to the NME's rose from \$59.3 million in 1986 to \$82.9 million in 1987. U.S. shipments in this SITC Division consisted largely of sales to China of manmade fibers (SITC Groups 266 and 267), which rose from \$52.6 million in 1986 to \$64.1 million in 1987. Exports of cotton (SITC Group 263), the other significant export item in this category, rose from \$1.4 million in 1986 to \$11.6 million in 1987. The increase was attributable to increased sales to Eastern Europe, which rose from \$1.1 million in 1986 to \$11.4 million in 1987. There were no cotton exports to the Soviet Union in 1987 and exports to China amounted to only \$0.3 million, the lowest level in the past 5 years.

U.S. Imports

U.S. imports from the NME's have increased steadily since 1982. From 1986 to 1987, total U.S. imports increased by 22.4 percent, from \$6.7 billion in 1986 to \$8.1 billion in 1987. This increase was almost entirely the result of increased purchases from China, which rose from \$4.7 billion in 1986 to \$6.2 billion in 1987. Imports from Eastern Europe also rose, from \$1.4 billion in 1986 to \$1.5 billion in 1987. This increase is attributable to increases in imports from Poland and Hungary. Although imports from Romania declined from 1986 to 1987, Romania remained the second largest supplier of NME imports to the United States. Imports from the Soviet Union declined from \$554.9 million in 1986 to \$408.2 million in 1987 (table 7).

In 1987, miscellaneous manufactured articles (SITC Section 8) totaled \$4.0 billion and accounted for 49 percent of all imports from NME sources. Of this total, \$3.7 billion were imports from China. The most significant product group from China was apparel (SITC Division 84), which rose from \$1.7 billion in 1986 to \$2.0 billion in 1987. Significant increases also occurred in other imports from China--in particular, travel goods and handbags (SITC Division 83), footwear (SITC Division 85) and children's toys (SITC Subgroup 8942).

The second leading group of imports from the NME's during 1987 was manufactured goods classified by chief material (SITC Section 6). Other textile products such as yarns, fabrics, and home furnishings (SITC Division 65) from China accounted for 38.9 percent of imports from NME's in this commodity group.

Table 7.--U.S. imports from the individual nonmarket economy countries and from the world,
1985-87, October-December 1986, and October-December 1987

(In thousands of dollars)						
Source	1985	1986	1987	October-December--		
				1986	1987	
Albania-----	3,009	3,194	2,149	1,814	606	
Bulgaria-----	34,038	49,684	40,306	14,480	9,138	
China-----	3,863,385	4,671,469	6,243,877	1,218,024	1,517,566	
Cuba-----	-	31	-	2	-	
Czechoslovakia-----	74,909	85,284	77,793	18,594	17,701	
East Germany-----	90,290	85,265	84,455	20,187	22,008	
Hungary-----	216,618	223,938	277,647	63,404	73,164	
Mongolia-----	3,111	1,081	1,431	194	507	
North Korea-----	30	2	-	-	-	
Poland-----	217,037	230,953	295,484	63,580	76,269	
Romania-----	881,301	750,018	714,368	170,808	174,590	
U.S.S.R-----	406,919	554,923	408,205	94,553	131,141	
Vietnam-----	25	201	-	26	-	
Total-----	5,790,671	6,656,044	8,145,716	1,665,667	2,022,691	
Total, U.S. imports from the world-----	343,553,150	368,656,594	402,066,002	93,680,208	107,721,925	

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

In third place were mineral fuels (SITC Section 3), which declined for the second year in a row to \$963.2 million. The major reason for the decrease was the declining value of petroleum and petroleum products (SITC Division 33) from China. Imports from Eastern Europe also fell, but imports from the Soviet Union increased.

Machinery and transportation equipment (SITC Section 7) rose substantially to reach fourth place among import groups from the NME's in 1987, replacing chemicals (SITC Section 5) which fell to sixth place. The increase in machinery and transportation equipment imports was due largely to increased imports from China of telecommunications and sound recording and reproducing apparatus and equipment (SITC Division 76) and electrical machinery, apparatus and appliances (SITC Division 77).

(U.S. imports from the world and from the NME's by SITC Sections for 1986-1987 are shown in table 8 and U.S. imports from the NME's by SITC Section for October-December 1987 are shown in table 9. Table 10 shows the 10 items imported from NME suppliers that increased and the 10 that decreased most substantially from 1986 to 1987. Table 11 shows the 20 import items for which the NME countries collectively accounted for the largest market share during 1987.)

Textiles and apparel

U.S. imports from the NME's in the combined categories of apparel and other textile products such as yarns, fabrics, and home furnishings increased from \$2.3 billion in 1986 to \$2.7 billion in 1987. These imports came mostly from China, rising from \$2.1 billion in 1986 to \$2.5 billion in 1987.

U.S. imports from China of apparel increased from \$1.7 billion in 1986 to \$2.0 billion in 1987, the highest level in the past 5 years. Increases occurred throughout the entire range of product groups (SITC Groups 842-848) within this commodity division. Among them, the two leading groups were women's, girls' and infants' outer garments, other than knitted (SITC Group 843), which increased from \$609.7 million in 1986 to \$660.1 million in 1987, and knitted or crocheted outer garments (SITC Group 845), which increased from \$398.4 million in 1986 to \$492.6 million in 1987.

U.S. imports of other textile products such as yarns, fabrics, and other home furnishings from China increased from \$454.8 million in 1986 to \$530.5 million in 1987. This is explained largely by higher U.S. purchases of made-up articles of cotton and other fibers (SITC Group 658), which increased from \$148.3 million in 1986 to \$219.5 million in 1987. Imports of woven cotton fabrics (SITC Group 652) remained the second most important item in this commodity division despite a decline from \$141.6 million in 1986 to \$131.7 million in 1987.

The increase in textile and apparel imports from China during 1987 is attributable in part to a major drive by China's leaders to boost export sales in order to gain foreign exchange. The fact that the U.S.-Chinese

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Table 8.--U.S. imports from the world and from the nonmarket economy countries (NME's), 1/
by SITC Sections, 1986 and 1987

SITC Section	Total imports		Imports from the NME's	
	1986	1987	1986	1987
Value (million dollars)				
0. Food and live animals-----	20,629	20,259	409	523
1. Beverages and tobacco-----	3,770	3,981	48	53
2. Crude materials--inedible, except fuel-----	10,501	11,473	156	202
3. Mineral fuels, lubricants, etc-----	36,897	43,538	1,097	963
4. Oils and fats--animal and vegetable-----	509	563	3	3
5. Chemicals-----	14,615	15,752	499	357
6. Manufactured goods classified by chief material-----	48,975	53,466	1,027	1,363
7. Machinery and transportation equipment-----	162,162	177,128	266	614
8. Miscellaneous manufactured articles-----	55,853	64,136	2,896	3,984
9. Commodities and transactions not elsewhere classified-----	14,745	11,772	255	83
Total-----	368,657	402,066	6,656	8,146
Percent of total				
0. Food and live animals-----	5.6	5.0	6.1	6.4
1. Beverages and tobacco-----	1.0	1.0	.7	.6
2. Crude materials--inedible, except fuel-----	2.8	2.9	2.3	2.5
3. Mineral fuels, lubricants, etc-----	10.0	10.8	16.5	11.8
4. Oils and fats--animal and vegetable-----	.1	.1	2/	2/
5. Chemicals-----	4.0	3.9	7.5	4.4
6. Manufactured goods classified by chief material-----	13.3	13.3	15.4	16.7
7. Machinery and transportation equipment-----	44.0	44.1	4.0	7.5
8. Miscellaneous manufactured articles-----	15.2	16.0	43.5	48.9
9. Commodities and transactions not elsewhere classified-----	4.0	2.9	3.8	1.0
Total-----	100.0	100.0	100.0	100.0

1/ Albania, Bulgaria, China, Cuba, Czechoslovakia, East Germany, Hungary, Mongolia, North Korea, Poland, Romania, the U.S.S.R. (including Estonia, Latvia, and Lithuania), and Vietnam.

2/ Less than 0.05 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table 9.--U.S. imports from the nonmarket economy countries, by SITC Sections, October-December 1987

SITC Section	(In thousands of dollars)						
	Albania	Bulgaria	China	Cuba	Czecho- slovakia	East Germany	Hungary
0. Food and live animals-----	-	410	54,509	-	916	22	16,873
1. Beverages and tobacco-----	-	5,005	2,953	-	386	10	253
2. Crude materials--inedible, except fuel-----	605	169	44,080	-	324	92	373
3. Mineral fuels, lubricants, etc-----	-	-	111,735	-	-	370	102
4. Oils and fats--animal and vegetable-----	-	-	426	-	-	-	22
5. Chemicals-----	-	1,317	48,844	-	584	6,363	6,015
6. Manufactured goods classified by chief material-----	-	1,061	244,969	-	6,218	9,667	13,465
7. Machinery and transportation equipment-----	-	192	178,012	-	2,236	2,475	18,721
8. Miscellaneous manufactured articles-----	-	957	815,387	-	6,169	2,572	16,818
9. Commodities and transactions not elsewhere classified-----	-	-	-	-	-	-	-
Total-----	605	9,138	1,517,566	-	17,701	22,008	73,164
SITC Section							
	Mongolia	North Korea	Poland	Romania	U.S.S.R.	Vietnam	Total
0. Food and live animals-----	6	-	33,774	7,187	1,282	-	114,980
1. Beverages and tobacco-----	-	-	378	392	6,367	-	15,743
2. Crude materials--inedible, except fuel-----	485	-	210	885	9,396	-	56,619
3. Mineral fuels, lubricants, etc-----	-	-	-	102,937	43,713	-	258,216
4. Oils and fats--animal and vegetable-----	-	-	-	-	-	-	448
5. Chemicals-----	-	-	4,028	1,231	20,954	-	89,337
6. Manufactured goods classified by chief material-----	14	-	20,235	17,103	41,483	-	354,214
7. Machinery and transportation equipment-----	-	-	5,618	8,438	2,978	-	218,671
8. Miscellaneous manufactured articles-----	-	-	10,363	36,003	4,791	-	893,059
9. Commodities and transactions not elsewhere classified-----	-	-	-	-	-	-	-
Total-----	507	-	76,269	174,590	131,141	-	2,022,691

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table 10.--20 U.S. import items from the nonmarket economy countries (NME's) which changed substantially, by TSUSA items, 1986 and 1987 1/

TSUSA item no.	Commodity	Major NME supplier	Percentage change, 1987 from 1986		Value of imports from all NME's in 1987
			All NME's	World	
			Percent		1,000 dollars
751.0510	Substantially increased:				
678.5075	Hand-held umbrellas chiefly used for protection against rain	China	1,058.4	17.9	8.814
700.4520	Combination machines containing tape players, n.s.p.f.	do	935.4	47.6	17.766
678.5061	Women's soled moccasins, of leather, valued over \$2.50 per pair	do	796.9	72.9	4.653
661.9400	Radio-tape player combinations, n.s.p.f.	do	744.0	-6.9	15.869
688.4100	Portable air purifiers, not specially designed for industrial use, and filters therefor	do	731.6	99.3	4.852
684.5810	Electrical articles n.s.p.f. designed for connection to telegraphic or telephonic apparatus, instruments, or networks	do	670.8	20.9	4.319
114.4562	Single line telephone sets, instruments, and parts thereof n.s.p.f., without special features	do	612.0	-7.2	4.146
610.4955	Peeled shrimp n.s.p.f., fresh, chilled, frozen, prepared, or preserved	do	581.5	32.5	6.630
475.1015	Pipes and tubes and blanks therefor, n.s.p.f., of iron or steel, diameter not over 4.5 inches, valued under \$0.225 per pound	East Germany	505.5	13.2	3.085
	Light fuel oils, testing 25 degrees A.P.I. or more, Saybolt Universal viscosity at 100 degrees F of less than 45 seconds	U.S.S.R.	500.8	2.5	79.104
480.3000	Substantially decreased:				
475.6530	Urea, n.e.s.	U.S.S.R.	-97.8	-33.0	2.123
384.6340	Mixtures of hydrocarbons n.s.p.f. in liquid form, other than condensate derived wholly from natural gas	Romania	-94.9	-60.5	10.187
384.4735	Women's, girls', or infants' wool skirts n.s.p.f., knit, valued over \$5 per pound, not ornamented	China	-91.8	4.6	825
475.0510	Women's corduroy trousers and slacks, not ornamented	do	-85.6	-42.4	2.177
480.6510	Crude petroleum and crude shale oil, testing under 25 degrees A.P.I.	U.S.S.R.	-85.5	30.3	1.511
475.3500	Ammonium nitrate	Bulgaria	-85.4	-51.8	1.409
521.1720	Naphthas derived from petroleum, shale oil, natural gas, or combinations thereof (except motor fuel)	U.S.S.R.	-81.8	-23.0	11.139
384.7782	Bauxite, calcined, other	China	-81.6	-57.3	714
475.3000	Women's, girls', or infants' silk sweaters n.s.p.f., knit, not assembled in Hong Kong from component parts knitted elsewhere	do	2/ -81.5	2/ 183.4	1.001
	Kerosene derived from petroleum, shale oil, or both (except motor fuel)	Romania	-77.3	-33.1	2.916

1/ Only items which accounted for at least 500,000 dollars' worth of imports in both 1986 and 1987 are included in this table.

2/ TSUSA item 384.7782, along with TSUSA items 384.7773 and 384.7781, was created on Aug. 1, 1986, from former TSUSA item 384.7772. Presented percent changes were calculated using data for only the last 5 months of 1986, as compared with full-year 1987 data.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 11.--20 U.S. import items for which the nonmarket economy countries (NME's) collectively accounted for the largest market share in 1987, by TSUSA items, 1986 and 1987 ^{1/}

TSUSA item no.	Commodity	Major NME supplier	Share of total imports accounted for by NME's		Value of imports from all NME's in 1987
			1986	1987	
			Percent		1,000 dollars
416.4000	Tungstic acid-----	China-----	85.8	100.0	1,560
363.3015	Bolster cases, of cotton, not ornamented, not combed-----	do-----	2 ^{1/2}	99.7	1,315
365.0000	Handmade-lace furnishings, of cotton, valued not over \$50 per pound-----	do-----	93.8	98.2	9,334
365.5610	Lace or net furnishings formed by applique, machine-made or handmade, subject to textile agreements, of cotton-----	do-----	89.2	96.2	7,397
361.4300	Floor coverings n.s.p.f., of wool, woven, valued over 30 cents per square foot, certified hand-loomed and folklore products---	Romania-----	98.5	95.2	1,246
542.3120	Ordinary glass, weighing over 16 but not over 18.5 ounces per square foot, not over 40 united inches-----	do-----	94.0	95.2	2,825
306.4293	Camel hair, in the grease or washed, sorted-----	China-----	100.0	95.1	2,111
338.5949	Woven printcloth fabrics, of man-made fibers, over 85 percent noncellulosic, less than 5 ounces per square yard, spun-----	do-----	86.4	94.7	4,114
245.1000	Hardboard, valued \$48.33-1/3 to \$96.66-2/3 per short ton-----	U.S.S.R-----	98.3	94.1	1,217
186.3000	Bristles, crude or processed-----	China-----	91.8	94.0	13,209
363.0525	Lace, net, or ornamented bedding, of cotton, n.s.p.f-----	do-----	80.5	93.6	1,735
327.3927	Printcloth, cotton in chief value, containing silk or man-made fibers, not fancy or figured, bleached, of number 39-----	do-----	100.0	93.1	1,495
384.5214	Infants' diapers, of cotton, not knit-----	do-----	80.2	92.3	2,224
366.6300	Corduroy furnishings n.s.p.f., of pile or tufted construction---	do-----	67.7	91.1	1,063
748.5520	Feather sleeping bags-----	do-----	87.4	90.8	2,180
702.3785	Headwear of vegetable materials n.s.p.f., not sewed, not blocked, and not trimmed, not bleached and not colored-----	do-----	84.9	89.2	2,099
140.3000	Dried, desiccated or dehydrated garlic-----	do-----	90.7	88.8	1,556
417.4000	Ammonium tungstate-----	do-----	79.5	87.7	10,147
370.6020	Colored cotton handkerchiefs, hemmed or hemstitched, not over 50s average yarn number, not ornamented-----	do-----	62.9	87.0	2,223
*702.4020	Headwear n.s.p.f. of paper, not sewed, not blocked, and not trimmed, bleached or colored-----	do-----	74.5	86.6	2,133

^{1/} Only items which accounted for at least 1 million dollars' worth of imports in 1987 are included in this table.

^{2/} TSUSA item 363.3015, along with TSUSA items 363.3020 and 363.3025, was created on Jan. 1, 1987, from former TSUSA items 363.3022 and 363.3024.

Source: Compiled from official statistics of the U.S. Department of Commerce.

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textile and apparel agreement was less restrictive than the bilateral agreements with other major suppliers such as Taiwan, Hong Kong, and the Republic of Korea, was also a factor. 1/

Petroleum and petroleum products

U.S. imports from the NME's of petroleum and petroleum products (SITC Division 33) declined for the second year in a row from \$1.1 billion during 1986 to \$963.2 million during 1987. Increased purchases from the Soviet Union, from \$71.7 million in 1986 to \$96.2 million in 1987, did not offset the decreases in imports from China, from \$631.7 million in 1986 to \$485.5 million in 1987, and from Eastern Europe, from \$393.4 million in 1986 to \$381.5 million in 1987.

Purchases of crude petroleum (SITC Group 333) from NME suppliers fell for the second year in a row, from \$475.1 million in 1986 to \$357.3 million in 1987. Imports from China dropped from \$464.7 million in 1986 to \$355.8 million in 1987. After rising from zero in 1985 to \$5.6 million in 1986, shipments from the Soviet Union declined to \$1.5 million in 1987. Imports from Eastern Europe followed a similar trend, rising from nil during the 1983-1985 period to \$4.8 million in 1986, 2/ and falling in 1987 to zero.

U.S. imports from NME's of refined petroleum products (SITC Group 334) decreased from \$613.7 million in 1986 to \$597.5 million in 1987. Eastern Europe, principally Romania, was the leading NME supplier, China ranked second, and the Soviet Union third. The value of shipments of refined petroleum products from Eastern Europe declined from \$387.2 million in 1986 to \$380.0 million in 1987. This decline is explained largely by the decrease in imports of hydrocarbons 3/ from \$200.9 million in 1986, which made it the leading item among all imports from Eastern Europe, to \$9.1 million in 1987. U.S. imports of refined petroleum products from China declined from \$160.4 million in 1986 to \$122.8 million in 1987. Shipments from the Soviet Union increased from \$66.1 million in 1986 to \$94.7 million in 1987.

Unleaded gasoline was the leading refined petroleum product imported by the United States from the NME's in 1987. U.S. imports from Romania and China, the sole NME suppliers, increased from \$118.7 million in 1986 to \$345.2 million in 1987. Of the total, \$325.8 million was from Romania, up significantly from \$92.4 million in 1986.

1/ For a fuller discussion of the Chinese system of incentives and the bilateral textile and apparel agreement, see the 52d Quarterly Report..., p.31, and China Trade Report, July 1987, pp. 1, 3.

2/ Romania was the sole supplier among Eastern European countries.

3/ Mixtures of hydrocarbons (TSUSA item 475.6530) is a group classification consisting of a variety of liquid derivations of petroleum that are typically produced according to specifications requested by the buyer.

Leaded gasoline was the second largest refined petroleum product imported by the United States from the NME's in 1987. Imports fell from \$99.3 million in 1986 to \$90.9 million in 1987. The decline was due to a decline in purchases from China from \$99.3 million in 1986 to \$85.7 million in 1987. This decline outweighed the increase in purchases from the Soviet Union, from nil in 1986 to \$5.2 million during the year under review.

Imports by the United States from the NME's of light fuel oils increased significantly, from \$13.2 million in 1986 to \$79.1 million in 1987, placing them third among refined petroleum products imported by the United States from the NME's in 1987. In 1987, purchases were made from Bulgaria, Romania and the Soviet Union. This contrasts with 1986 when Romania was the sole source. Soviet sales amounted to \$52.7 million, making Russia the leading supplier. Although it fell to second place among suppliers, Romania did increase its sales, from \$13.2 million in 1986 to \$22.6 million in 1987.

Machines and equipment

U.S. imports of machines and equipment (SITC Section 7 and Divisions 87 and 88) from the NME's increased dramatically in 1987 to \$677.3 million. Until this leap, imports had risen slowly, from \$157.9 million in 1983 to \$286.0 million in 1986. The 1987 increase was due largely to increases in telecommunications and sound recording and reproducing apparatus and equipment, from \$58.2 million in 1986 to \$238.8 million in 1987, and in electrical machinery, apparatus and appliances, which increased from \$79.5 million in 1986 to \$175.0 million in 1987. Imports of photographic apparatus and equipment (SITC Division 88) also increased, from \$13.9 million in 1986 to \$42.1 million in 1987. China was the source of almost all these imports.

U.S. imports of machinery and transportation equipment from Eastern Europe and the Soviet Union also increased. Shipments from Eastern Europe rose from \$117.1 million in 1986 to \$137.9 million in 1987. Those from the Soviet Union rose from \$4.8 million in 1986 to \$7.8 million in 1987.

Other miscellaneous manufactured articles

In addition to apparel, children's toys and games (SITC Subgroup 8942) and travel goods and handbags (SITC Group 831) contributed substantially to the \$1.1 billion increase, from \$2.9 billion in 1986 to \$4.0 billion in 1987, in U.S. imports from the NME's of miscellaneous manufactured articles. By far the largest supplier of products in this SITC Section was China, with \$3.7 billion in shipments in 1987. U.S. imports of children's toys and games from China rose from \$365.3 million in 1986 to \$671.5 million in 1987. U.S. imports from China of travel goods and handbags increased from \$181.6 million in 1986 to \$291.2 million in 1987.

Footwear was another major U.S. import from China in this SITC Section, increasing from \$74.0 million in 1986 to \$137.9 million in 1987.

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DEVELOPMENTS IN 1987 AFFECTING U.S. COMMERCIAL RELATIONS
WITH THE NONMARKET ECONOMY COUNTRIES

Export Enhancement Program Boosts U.S. Wheat Sales to the NME's

During 1987, the U.S. Department of Agriculture (USDA) offered to sell a combined total of 15 million metric tons (Mt) of wheat to the Soviet Union and other NME's under the Export Enhancement Program (EEP). This program provides for wheat exporters to receive bonus amounts of Government-owned surplus commodities to cover the difference between the U.S. price they must pay for the grain and a lower, internationally competitive selling price. Most of the EEP wheat offers made to these countries during 1987 had been accepted by yearend, and 7.6 Mt of the total amount they had contracted to purchase were exported during the year, a significant improvement over the volume shipped during 1986, when the United States exported only 85,225 metric tons of wheat to the NME's. The Soviet Union was by far the largest NME customer for EEP-subsidized wheat during 1987 (and the overall largest market), but sales were also made under the program to China, Poland, and Bulgaria.

EEP sales to the Soviet Union

On April 30, 1987, the Soviet Union accepted an EEP offer of 4 Mt of wheat for delivery before September 30, the end of the U.S.-U.S.S.R grain-agreement year. As a result, the Soviets met their annual minimum wheat-purchase requirement under this long-term bilateral agreement (October 1, 1983-September 30, 1988) for the first time since the 1983/84 year. The terms of the agreement call for the Soviet Union to import a minimum of 4 Mt of wheat and 4 Mt of corn annually. The overall minimum grain-import requirement is 9 Mt, but the Soviets may substitute 500,000 metric tons of soybeans or soybean meal for the additional 1 Mt of wheat or corn. 1/ Soviet imports of U.S. wheat amounted to only 2.9 Mt during the 1984/85 agreement year and dropped to a negligible 153,000 metric tons during the 1985/86 year. 2/ Prior to its commitment to buy 4 Mt in April 1987, the Soviet Union had purchased no U.S. wheat since October 1985. 3/

1/ The Soviet Union met the minimum requirement for both wheat and corn imports during the agreement year that ended Sept. 30, 1987, but its total annual imports under the agreement--4.07 Mt of wheat, 4.10 Mt of corn, and 0.07 Mt of soybeans--fell short of the overall minimum requirement.

2/ Although the Soviet Union defaulted on its wheat-import commitment in both the 1984/85 and 1985/86 agreement years, its purchases of U.S. corn amounted to 15.75 Mt during the 1984/85 year and to 6.81 Mt during the 1985/86 year, when the Soviets also imported 1.52 Mt of soybeans. For information on the circumstances surrounding the failure of the Soviet Union to meet its wheat commitment during these two agreement years, see 45th Quarterly Report . . . , pp. 44-46, and 49th Quarterly Report . . . , pp. 44-46.

3/ The Soviets rejected an EEP offer of 4 Mt of wheat in August 1986. The amount of the commodity bonus that exporters would receive was announced at the time the offer was made, however, giving other wheat-exporting

(continued...)

In October, at the beginning of the fifth and final year of the current U.S.-U.S.S.R. grain agreement, the Soviets accepted a small EEP offer of 0.065 Mt of wheat. This was followed by offers of 2.40 Mt and 2.35 Mt in November. Both offers were accepted, raising the total quantity of wheat contracted by the Soviet Union during the fourth quarter of 1987 to more than the minimum amount required for the 1987/88 agreement year. (Only the amount actually exported is counted in determining whether the requirements of the agreement have been met.) 1/

The USDA has estimated that grain production in the Soviet Union amounted to 211.3 million tons in 1987, marking the first time ever that output exceeded 200 million tons in two consecutive years. However, it also estimates that Soviet wheat output declined by nearly 15 percent last year, and that much of the crop harvested was not quality wheat.

EEP sales to other NME's

China agreed to buy 4 Mt of wheat at EEP-subsidized prices during 1987, accepting the first offer of 1 Mt in January and additional offers of 1 Mt each in August, November, and December. These purchases by China, after importing only 33,600 metric tons of U.S. wheat in 1986, reflect not only the attractive price of wheat under the program but also China's tight grain situation. After increasing to a record 407.3 million tons in 1984, China's grain output declined to 379.1 million tons in 1985 and rose to only 391.1 million tons in 1986. Meanwhile, according to the USDA, the demand for grain has been increasing in China, with the demand for wheat expanding mainly because consumers with rising incomes prefer to eat more products processed from fine grains such as wheat and because the population continues to grow.

China reported an increase in grain production to 402.1 million tons in 1987, but it also reported a decline in the area planted to wheat. 2/ It is now in a much better position to expand imports, however, following a substantial improvement in its merchandise-trade account in 1987.

3/ (...continued)

countries the opportunity to underbid the United States. The procedure was changed when the second offer was made in April 1987. U.S. exporters were allowed to negotiate the terms of each contract with the Soviet Government's grain trading organization and then submit the proposed sale to the USDA's Commodity Credit Corporation for approval of the bonus involved.

1/ The Soviet Union accepted additional EEP offers of 2 Mt of wheat in January 1988, 1 Mt in March, and 1 Mt in April. As of mid-April, the Soviets had also contracted to buy 4.1 Mt of corn since the beginning of the 1987/88 grain agreement year.

2/ See the section on agriculture in the economic overview of China's economy, later in this report.

According to USDA analysts, at the subsidized rates offered under the EEP, China's purchases of U.S. wheat will rise in 1988. 1/

Poland and Bulgaria also contracted to buy U.S. wheat under the program in 1987. EEP offers to Poland totaled 2 Mt: 500,000 metric tons in January; 500,000 metric tons in July; and 1 Mt in December. 2/ An offer of 150,000 metric tons of wheat, made in November 1987, was accepted by Bulgaria. 3/ Romania was offered 250,000 metric tons of wheat in early 1987 but had bought none by yearend. 4/

President Restores Most-Favored-Nation Status to Poland

On February 19, 1987, President Reagan issued a proclamation restoring the application of most-favored-nation (MFN) tariff rates to products imported from Poland. 5/ The President had suspended Poland's MFN status on October 27, 1982, making its products subject to the generally higher column 2 rates of duty of the Tariff Schedules of the United States (TSUS). The reason cited in the suspension proclamation was the failure of Poland since 1978 to meet certain import commitments under its Protocol of Accession to the General Agreement on Tariffs and Trade (GATT), but a more immediate factor was the President's determination that the Government of Poland "had increased its repression of the Polish people, leaving the United States without any reason to continue withholding action on its trade complaints against Poland." 6/ The suspension was in particular a response to the Polish Government's banning of the Solidarity trade union in early October 1982. 7/

The restoration of MFN status completed the gradual removal, over more than a 3-year period, of a number of economic sanctions that the United States had enacted against the Polish Government in response to its imposition of martial law in December 1981 and its repression of the Solidarity trade movement. 8/ In reinstating its MFN privileges, President

1/ The USDA offered an additional 1.2 Mt of wheat to China under the program in February 1988 and 2 Mt in early April.

2/ Poland was offered another 500,000 metric tons of EEP-subsidized wheat in March 1988.

3/ Bulgaria also agreed to buy 150,000 metric tons of U.S. barley under the subsidy program in 1987, and an additional EEP offer of 200,000 metric tons of wheat was extended to Bulgaria in January 1988.

4/ In 1986, Romania purchased 125,000 tons of U.S. barley under the subsidy program.

5/ Weekly Compilation of Presidential Documents, Feb. 23, 1987 (vol. 23, No. 7), p. 168.

6/ Ibid.

7/ For more detailed information on the suspension of Poland's MFN status, see 33d Quarterly Report . . ., pp. 75-77.

8/ For a listing of the U.S. economic sanctions against the martial law government of Poland and a chronology of their removal, see the 50th Quarterly Report . . ., p. 36.

Reagan noted that "the Polish Government has taken steps that lead me to believe that Poland should be given a renewed opportunity to address its trade obligations with the benefit of most-favored-nation tariff treatment." ^{1/} At the same time, the ban was also lifted on Poland's eligibility for U.S. Government credits and credit guarantees; however, the additional steps required to activate its participation in these programs were not taken during 1987.

U.S. imports from Poland amounted to \$295.5 million in 1987, an increase of \$64.5 million over the value of this trade in 1986. After registering their lowest quarterly level during January-March 1987, when the column 2 rates of duty remained in effect through February 22, ^{2/} they were considerably higher during each of the following three quarters.

President Terminates GSP Treatment of Imports From Romania

On March 6, 1987, President Reagan removed Romania from the list of designated beneficiary countries under the U.S. Generalized System of Preferences (GSP). ^{3/} This action, which terminated the duty-free entry into the United States of all products from Romania that are eligible for GSP treatment, was taken because the Romanian Government was "not taking steps to afford internationally recognized worker rights." ^{4/} The withdrawal of GSP benefits was preceded by a notice of the President's intent issued on January 2, 1987. ^{5/}

For purposes of the provisions of U.S. law covering the GSP program, internationally recognized worker rights include the right of association, the right to organize and bargain collectively, the prohibition of forced labor, a minimum age for the employment of children, and acceptable conditions of work with respect to wages, hours, and occupational safety and health. ^{6/} The President is authorized to either indefinitely suspend or terminate the GSP benefits of a country he determines is violating worker rights. However, if a country's benefits have been terminated--as in the case of Romania--the administration must take into consideration all facets of its economy and government in determining whether they should be restored. The reinstatement of a country that has been indefinitely

^{1/} Weekly Compilation of Presidential Documents, Feb. 23, 1987, p. 168.

^{2/} 52 F.R. 5425.

^{3/} Weekly Compilation of Presidential Documents, Mar. 9, 1987 (vol. 23, No. 9), pp. 229-31, and 52 F.R. 7265.

^{4/} Ibid.

^{5/} Under sec. 502(a)(2) of the Trade Act of 1974, the President must give both houses of the Congress and the country in question at least 60 days notice of his intent to withdraw GSP benefits, together with the reasons for his decision. See Weekly Compilation of Presidential Documents, Jan. 12, 1987 (vol. 23, No. 1), pp. 1 and 2, and 52 F.R. 369.

^{6/} The worker rights provisions of the GSP program were added under sec. 503 of the Trade and Tariff Act of 1984, which amended sec. 502 of the Trade Act of 1974.

suspended from the GSP list requires only that the conditions at issue are addressed and found to be acceptably remedied.

Romanian products entering the United States duty free under the GSP program amounted to \$134.7 million in 1985 and to \$119.5 million in 1986, approximately 15 percent of the total value of U.S. imports from Romania during each of these 2 years. The GSP-eligible commodities imported from Romania, which the termination made subject to MFN rates of duty, consisted mainly of chemicals, metals and metal products, and furniture and other household furnishings.

Continuation of Most-Favored-Nation Status
For China, Hungary, and Romania

On June 2, 1987, President Reagan notified Congress of his decision to extend his general waiver authority under the emigration provisions (sec. 402) of the Trade Act of 1974 and to continue the applicable waivers granting MFN tariff treatment to products imported from China, Hungary, and Romania. Both the general waiver authority and any waivers in effect automatically expire on July 2 of each year unless extended by a Presidential determination not less than 30 days before the scheduled expiration date. 1/

Citing figures to support his statements, the President reported that "Hungary has continued to take a relatively positive and constructive approach to emigration matters" and that "China continues to have a relatively open emigration policy." 2/ He found, however, that the number of visas or other documentation issued to individuals for legal departure from Romania to the United States declined from 2,913 in 1985 to 1,996 in 1986, but noted that this number "still is substantial in human terms." 3/ The continuation of Romania's MFN status enables the United States, President Reagan concluded, not only "to promote the objectives of the Act concerning emigration" but also "to have an impact we would not have otherwise on human rights concerns and to help strengthen the extent of religious freedom in Romania." 4/

1/ The MFN status of Poland, even though reinstated in 1987, does not require an annual review by the President because a distinction is made between a Communist country that was granted MFN status prior to passage of the Trade Act of 1974 and one that was not. After the United States suspended Poland's MFN status under the Trade Agreements Extension Act of 1951 (as one of several countries recently brought under the control or influence of the Communist movement), President Eisenhower restored it in 1960. Romania was extended MFN status under the emigration provisions of the 1974 trade act in 1975; Hungary, in 1978; and China, in 1980.

2/ Weekly Compilation of Presidential Documents, June 8, 1987 (vol. 23, No. 22), pp. 622-23.

3/ Ibid., p. 622.

4/ Ibid., p. 623.

Neither the House Ways and Means Committee's Subcommittee on Trade nor the Senate Finance Committee's Subcommittee on International Trade held a hearing on this matter in 1987. However, the House of Representatives in April 1987 and the Senate in June 1987 voted in favor of an amendment calling for a 6-month suspension of Romania's MFN status. This amendment was attached to the pending trade bill. 1/

United States and China Conclude New Textile Agreement

On December 16, 1987, the United States and China reached an agreement that will substantially curtail the volume of Chinese textiles and apparel entering the U.S. market. Under the agreement, the overall annual growth in the quantity of these imports from China will be limited to about 3.3 percent, whereas the previous 5-year bilateral agreement permitted an average annual growth in import volume of about 19 percent. 2/ The new accord, which was concluded after six rounds of negotiations that began in February 1987 (and earlier informal talks), covers the 4-year period from January 1, 1988, through December 31, 1991. 3/

The new agreement is much more comprehensive with respect to both product coverage and the import limits incorporated into its structure than was the agreement it replaces. The textile-product categories are divided into four groups: categories with specific limits; uncontrolled apparel categories of cotton, wool, and manmade fiber; uncontrolled nonapparel categories of cotton, wool, and manmade fiber; and uncontrolled apparel categories of silk blends and vegetable fibers such as silk and ramie, which were not subject to restraint prior to an extension of the Multifiber Arrangement in 1986. 4/ Each group of uncontrolled categories has an annual group limit on import volume which, combined with the average annual growth rate for categories with specific limits, yields the overall increase of approximately 3.3 percent. 5/

1/ On Feb. 26, 1988, the Government of Romania notified the U.S. Government that it does not want a continuation of its MFN status under the provisions mandated by sec. 402 of the Trade Act of 1974 when the waiver currently in effect expires on July 2 of this year.

2/ United States Trade Representative (USTR), United States and China Agree to New Limits on Textile Imports (press release), Dec. 19, 1987.

3/ The United States and China signed and exchanged notes formally establishing the new agreement on Feb. 2, 1988.

4/ For an informative discussion of the Multifiber Arrangement, which provides the framework for the negotiation of bilateral textile and apparel agreements between importing and exporting countries, see Operation of the Trade Agreements Program, 38th Report, 1986, USITC Publication 1995, July 1987, ch. 1, pp. 7-12.

5/ Like the previous agreement, the new accord includes a consultation mechanism that provides for placing a specific limit on imports from China in any uncontrolled textile or apparel category causing or threatening market disruption. If the two countries fail to reach a mutually

(continued...)

Even though the growth rate of Chinese textile and apparel exports to the United States has been sharply reduced, it is still considerably higher than the rates negotiated with the other four major suppliers of textiles and apparel to the U.S. market. Under bilateral agreements concluded with Hong Kong, the Republic of Korea, Taiwan, and Japan over the 18 months prior to concluding the accord with China, the combined annual growth rates of textile imports from these countries now average about 1.5 percent. ^{1/} As a result, after becoming the leading supplier in volume terms during 1987, China will be able to further expand its U.S. market share under the new agreement.

U.S. Administrative Actions Affecting Imports From the NME's

During 1987, the Commission concluded six antidumping cases involving imports from the NME's. It also made a determination in a market disruption investigation--applicable to only Communist countries--under section 406 of the Trade Act of 1974. No import-relief cases under section 201 of the Trade Act of 1974 that related to imports from the NME's were either begun or concluded by the Commission during the year.

Antidumping investigations

The six antidumping investigations involved imports of two products from NME's: tapered roller bearings from China, Hungary, and Romania and urea from East Germany, Romania, and the Soviet Union (table 12). In each of the investigations, the Commission determined that an industry in the United States was being materially injured by these imports, which the Department of Commerce's International Trade Administration had found were being sold in the U.S. market at less than fair value.

Market disruption investigation

On March 5, 1987, the Commission instituted an investigation to determine whether market disruption existed with respect to imports of ammonium paratungstate (APT) and tungstic acid from China. The investigation was requested by the United States Trade Representative, who was acting on behalf of the Refractory Metals Association. Section 406 of the Trade Act of 1974 defines market disruption to exist whenever "imports of an article, like or directly competitive with an article produced by such domestic industry, are increasing rapidly, either absolutely or relatively, so as to be a significant cause of material injury, or threat

^{5/}(...continued)

satisfactory solution during the initial 90-day consultation period, the United States may continue to limit imports in this category, as specified by the consultation-mechanism provision, for the duration of the agreement. ^{1/} USTR, United States and China Agree to New Limits on Textile Imports (press release), Dec. 19, 1987.

Table 12.
Antidumping investigations involving imports from the NME's in progress during 1987

Country	Product	Investigation No. and date of petition	Preliminary Determinations		Weighted- average dumping margin (percent)	Final Determinations		Commission determination and date of vote
			Commission determination and date of vote	ITA Determina- tion and date of publication		Determina- tion and date of publication	Weighted- average dumping margin (percent)	
China.....	Tapered roller bearings	731-TA-344 8-25-86	Affirmative 10-2-86	Affirmative 2-6-87	9.65	Affirmative 5-27-87	<u>1/</u> 0.97	Affirmative 5-27-87
East Germany....	Urea	731-TA-338 7-16-86	Affirmative 8-27-86	Affirmative 1-2-87	144.11	Affirmative 5-26-87 <u>2/</u>	44.80	Affirmative 6-25-87
Hungary.....	Tapered roller bearings	731-TA-341 8-25-86	Affirmative 10-2-86	Affirmative 2-6-87	3.66	Affirmative 5-8-87 <u>3/</u>	7.42	Affirmative 5-27-87
Romania.....	Urea	731-TA-339 7-16-86	Affirmative 8-27-86	Affirmative 1-2-87	53.71	Affirmative 5-26-87 <u>4/</u>	90.71	Affirmative 6-25-87
	Tapered roller bearings	731-TA-345 8-25-86	Affirmative 10-2-86	Affirmative 2-6-87 <u>5/</u>	8.87	Affirmative 5-8-87 <u>6/</u>	8.70	Affirmative 5-27-87 <u>7/</u>
Soviet Union....	Urea	731-TA-340 7-16-86	Affirmative 8-27-86	Affirmative 1-2-87	84.90	Affirmative 5-26-87 <u>9/</u>	<u>8/</u> 68.26 53.23 64.93	Affirmative 6-25-87

1/ This dumping margin applies to Premier Bearing & Equipment Ltd. and to all other exporters except China National Machinery and Equipment Import and Export Corp. (CMEC). CMEC was not included in the determination since no dumping margins were found for this exporter.

2/ The ITA made a determination that "critical circumstances" do not exist with respect to imports of the product from East Germany.

3/ The ITA made a determination that "critical circumstances" do not exist with respect to imports of the product from Hungary.

4/ The ITA made a determination that "critical circumstances" do not exist with respect to imports of the product from Romania.

5/ The ITA made a preliminary determination that "critical circumstances" exist with respect to imports of the product from Romania.

6/ The ITA made a final determination that "critical circumstances" exist with respect to imports of the product from Romania.

7/ The Commission made a negative determination on the question of material injury resulting from the existence of critical circumstances with respect to imports of the product from Romania.

8/ The dumping margins, in the order listed, apply to Soguzpromexport (SPE); Philipp Bros., Ltd. and Philipp Bros., Inc. (Phibro); and all others.

9/ The ITA made a determination that "critical circumstances" do not exist with respect to imports of the product from the Soviet Union.

Source: Compiled from investigations database, Office of Economics, U.S. International Trade Commission, and Federal Register (various issues).

thereof, to such domestic industry." The Commission made an unanimous affirmative determination on May 22, and, as directed under the act, it reported to the President on its recommendations to remedy the market disruption injuring the domestic industry. 1/

Data compiled during the investigation showed that U.S. imports of APT from China had increased from 385,000 pounds of tungsten content during 1983, or 23 percent of the total quantity imported, to 2.1 million pounds of tungsten content during 1986, or 83 percent of the quantity imported. Imports of tungstic acid from China amounted to 345,000 pounds of tungsten content during 1986, approximately the same as during 1984 and 1985, but China was the source of virtually all U.S. imports of this product during the 3-year period.

If the Commission's decision is affirmative in a market disruption case, the President must provide import relief for the domestic industry unless he determines that such relief is not in the national economic interest. On August 5, President Reagan announced that he would seek to negotiate an orderly marketing agreement with China.

United States-China agreement on tungsten products

A 4-year orderly marketing agreement limiting China's exports of APT and tungstic acid to the United States was negotiated and signed by the two countries on September 28, 1987. The accord went into effect on October 1.

Under the terms of the agreement, China was required to limit its exports of APT and tungstic acid to the United States to a combined total of 425,000 pounds tungsten content during October-December 1987. This quarterly restriction will be followed by annual limits of 1.81 million pounds during 1988, 1.94 million pounds during 1989, and 2.05 million pounds during 1990. The limit during January-September 1991 will be 1.5 million pounds. The agreement includes provisions to ensure that the effectiveness of the specified limits on APT and tungstic acid is not undermined by transshipments or by increased shipments of tungsten oxide.

1/ See Ammonium Paratungstate and Tungstic Acid From the People's Republic of China: Report to the President on Investigation No. TA-406-11 . . . , USITC Publication 1982, June 1987.

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ECONOMIC OVERVIEW OF THE NONMARKET ECONOMY COUNTRIES IN 1987 1/

China

The most noteworthy features of China's economic performance in 1987 were the high rate of its real domestic growth and the achievement of a rough balance in its international accounts, following large trade deficits in both 1985 and 1986. In general, the year's performance was more balanced than in 1986, and even though growth was faster in 1987, it was not as reliant on imports of raw materials.

The 13th Chinese Communist Party Congress in November reconfirmed China's policy of opening to the international economy and emphasized the need for continued domestic economic reforms, especially enterprise management reform and price reform. In 1987, the party congress, which convenes every 5 years, served as the testing ground in a nearly year-long power struggle between party leaders and their critics over the extent and pace of reform. Its selections for membership on the party central committee, standing committee, and politburo represented a political victory for China's economic reform leadership under the new Secretary General, Zhao Ziyang.

Domestic economy

According to China's State Statistical Bureau, 1987 Gross National Product (GNP) grew 9.4 percent in real terms. 2/ There was evidence of a mild economic slowdown during the fourth quarter, but this was probably the result of measures adopted to curb the growth rate of the industrial sector owing to the acceleration of inflation, especially in the urban areas. Another noteworthy problem addressed during the last quarter of 1987 was a shortage of pork in major urban areas, which reflected the more general problem of China's insufficient grain output.

Agriculture...The gross value of agricultural output increased by 4.7 percent in 1987, faster than the 3.5-percent rate of growth in the back-to-back years of 1985 and 1986, but significantly slower than growth in the 1980-84 period, which averaged 9.3 percent a year. 3/ According to

1/ Most of the data in this section on China were obtained from Rock Creek Research, Inc. and on the Soviet Union and Eastern Europe from Wharton Econometric Forecasting Associates, Inc. (WEFA) under contract with the U.S. International Trade Commission. Rock Creek Research and WEFA also provided much substantive information on developments affecting the domestic economies and foreign trade sectors of these countries.

2/ Unless otherwise noted, all output statistics are from the State Statistical Bureau of China (SSB), Communique on 1987 Economic Statistics, Feb. 23, 1988, as reported in the Economic Daily (in Chinese), Feb. 24, 1988, p. 3, and translated in the Foreign Broadcast Information Service (FBIS), Daily Report: China, Feb. 25, 1988, pp. 17-24.

3/ All statistical references to 1986 and before are taken from the SSB, China Statistical Yearbook 1987 (in Chinese), October 1987, which includes revisions of earlier statistical releases for 1986.

China's current official definition, agricultural output does not include village industry (also known as brigade industry), which is now included in the industrial output total.

Grain production increased by 2.8 percent to 402.41 million metric tons, still below the 1984 record harvest of 407.30 million tons. The output record for other major crops was mixed, with especially strong growth for cotton (18.4 percent), rapeseed (14.5 percent), and cured tobacco (19.5 percent). Sugar cane output declined by 6.7 percent; beetroot, by 3.9 percent; and jute/ambery hemp, by 32.5 percent. The increase in grain output was entirely the result of improved yields, since the area planted to grains remained unchanged. ^{1/} However, the area planted to grains for human consumption was reduced (wheat, by 2.3 percent, and rice, by 0.6 percent) in favor of increasing the amount of land used for raising corn (up 5.7 percent), tubers (up 1.7 percent), and soybeans (up 1.2 percent). These shifts help explain the rapid growth in China's wheat imports in 1987 and also may reflect efforts by the State to lower the reportedly high domestic price of feedgrains.

Insufficient meat supplies emerged as the most publicized difficulty facing agricultural policymakers at yearend. Output of pork, beef, and lamb increased by only 0.2 percent due to a 0.9-percent decline in pork production. Pork made up 82.8 percent of total meat production in 1987; beef and mutton, 6.6 percent; and poultry and rabbit meat, 10.7 percent. Beef and mutton output increased by 16.9 percent, and poultry and rabbit meat output grew 17.5 percent. ^{2/} Milk production rose by 10.0 percent to 3.19 million tons, and the output of aquatic products increased by 14.1 percent to 9.4 million tons.

During the fourth quarter, pork rationing was reintroduced in urban areas in response to a meat shortage that was rapidly pushing up the market price of pork. Consumption of meat has been increasing in recent years as incomes continue to rise, and pork accounts for approximately 90 percent of the average meat diet in China. ^{3/} The demand was readily met when meat production was decontrolled in early 1985 because feedgrain prices were low owing to the record 1984 grain harvest. However, the prices of corn and mixed feeds, the major cost of pork production, began to rise sharply following smaller grain harvests in 1985 and 1986. This squeeze on farmers' profits was exacerbated by the Government's decision to boost corn exports to cut China's mounting trade deficit, and as their profits continued to drop during 1987, the resultant decline in pork production led to a shortage in urban markets.

^{1/} A complete reporting of 1986 and 1987 area planted in various crops is found in the SSB, Monthly Bulletin of Statistics (in Chinese), November 1987, p. 16.

^{2/} The poultry and rabbit output and growth data are from "State Will Readjust Livestock Production," China Daily, Jan. 20, 1988, p. 1.

^{3/} For more detailed information on meat consumption in China, see "Putting Meat on Every Table," The China Business Review, January-February 1988, pp. 17-22.

The problem of high feed prices and falling pork output is recognized as part of the more general problem of insufficient grain output, which in turn is closely related to the low-value yield for grain relative to other crops. Although any significant increase in the State's procurement prices for grain would require larger State subsidies to compensate urban workers for the subsequent increase in food prices, recent statements by principal policymakers imply that agricultural price reforms in 1988 will call for raising both farm procurement prices and subsidies to urban incomes. ^{1/} China's grain output target for 1988 is 410 million tons.

Rural nonfarm economy. -- One of the unexpected side effects of China's economic reforms has been the rapid development in rural areas of nonfarm sectors, especially industry and construction, but also transport and commerce. In 1987, China's total gross social output in rural areas was 904.1 billion yuan (in current prices), an increase for the year of 12.7 percent. Rural nonfarm output was 50.8 percent of this total and in real terms increased by 21.8 percent. This was the first year that nonfarm output in rural areas was greater than farm output; in 1986, it was 46.9 percent of total rural output.

The development of rural nonfarm output has paralleled that of China's modern urban sector, but has been a much more market-oriented and labor-intensive growth. The separate accounting of nonfarm output in rural areas is the result of population registration conventions inherited from the Maoist period that divided all Chinese into so-called agricultural (rural) and nonagricultural (urban) populations, regardless of their actual occupations. The nonagricultural population receives urban subsidies and staple allocations, and in general the agricultural population does not. Prior to the last 2 years, village industrial output was reported only as part of farm "sideline" production, but beginning with 1986, it was regularly included in industrial output reporting. Until 1985, other components of rural nonfarm output were not reported at all.

Since the beginning of China's agricultural economic reforms in 1978, approximately 15 million nonfarm enterprises have been started in rural areas and have reportedly helped absorb the roughly one-third of the country's rural labor force that is officially considered to be "surplus." ^{2/} By 1986, rural industrial employment was 35.0 percent of China's total employment in this sector, and in construction and transport, the rural

^{1/} See He Kang, Minister of Agriculture, in "State Plans to Increase Agricultural Production," China Daily, Jan. 18, 1988, p. 1, and Li Peng, Acting Prime Minister, in "State Plans to Subsidize Consumers -- Li Peng," China Daily, Feb. 19, 1988, p. 1.

^{2/} See He Kang, Minister of Agriculture, in "Rural Industry Benefits Farming," and Song Tingming, spokesman for the State Commission for Economic Restructuring, in "Farm Reform Stressed," both in China Daily, Feb. 9, 1988, p. 3.

labor force components were 55.3 percent and 38.5 percent of the corresponding national totals. 1/

Industry. --The 1987 gross value of industrial output increased by 16.5 percent if village industry is included and by 14.7 percent if it is not. This represents a significant acceleration over growth in 1986, but is considered to be "appropriate." 2/ Tight money policies that were reportedly adopted to curb the buildup of inflationary pressures were finally registered in slower industrial growth rates during the fourth quarter (13.4 percent compared with 15.3 percent during the first three quarters of the year). 3/ Excluding village industry, annual output in the State-owned sector grew the slowest, registering an increase of 11 percent, whereas output grew by 25 percent in collectively owned industry and by 48 percent in individually owned industrial enterprises. Light industrial production (including village industry) was 16.8 percent higher than its level in 1986, and heavy industrial output was up by 16.0 percent.

Except for electric power generation, which increased by 10.3 percent, the growth of China's energy output was disappointing in 1987. Coal and crude oil output increased by only 2.9 and 2.6 percent, respectively. Although energy conservation in industry represented a savings equivalent to 4 percent of energy output, the State Statistical Bureau reported a continued shortage in energy supplies. Twenty percent of the country's production capacity was reportedly idle as a result of a 50 to 55 billion kilowatt-hour shortage in electricity. 4/

The increases in annual output reported for many other heavy industrial products were quite high. Production of sulfuric acid increased by 26.1 percent; power generating equipment, by 32.9 percent; and motor vehicles, by 27.7 percent. Growth in some construction materials and basic metals lagged behind the average growth rate--such as cement (9.2 percent), lumber (5.2 percent), and rolled steel (8.2 percent)--and output of machine tools declined by 10.6 percent. Shortages of construction materials and good-quality steel have been reported for several years.

Production of agricultural inputs and equipment was up sharply in 1987. The output of chemical fertilizers increased by 22.0 percent; pesticide output grew 27.9 percent; and tractor production was up 39.2 percent. At the same time, the boom in most consumer durables continued. Bicycle output increased by 14.7 percent; color television production, by

1/ See tabulations of official data in Rock Creek Research, China Economic Letter, June 15, 1987, p. 96.

2/ China Daily, Jan. 30, 1988, p. 1.

3/ Monthly statistics through November are from the SSB, Bulletin of Monthly Statistics, January 1988, p. 17, and for December are from China Daily Business Weekly, Feb. 29, 1988, p. 3.

4/ In January 1988, a 29-percent increase in the country's industrial power rates was announced. See statements by an official of the Ministry of Water Resources and Electric Power in "Rate Rise to Finance a Step-up in Power," China Daily, Jan. 29, 1988, p. 1.

62.1 percent; and refrigerator output, by 76.8 percent. Output of tape recorders slowed to 6.0 percent, however, and stockpiles of low-quality wrist watches--totaling 34 million, roughly half of annual output--were reported. Digital watches, both imported and domestically assembled, have significantly hurt domestic demand for older-style mechanical watches, the output of which nevertheless continues to be supported by State-subsidized procurements. 1/

Total retail sales increased by 9.6 percent in real terms, but the acceleration of inflation, especially the rise in food prices, had become a major issue in policy discussions by end of the year. The general retail price index increased by 7.3 percent in 1987, with commodity prices rising an average of 9.1 percent in cities and towns and 6.3 percent in the countryside. Nationwide, the level of food prices increased by 10.1 percent, and the price rises for some food products were particularly high: 17.7 percent for fresh vegetables; 16.5 percent for meat, poultry, and eggs; and 17.0 percent for aquatic products.

Fixed asset investment--Total investment in fixed assets (capital construction and technical transformation) 2/ increased by 16.5 percent in 1987. In spite of various attempts by the State to control investment expenditures in recent years, 3/ this growth rate was virtually the same as that reported for 1986 (16.7 percent). Moreover, "emergency" measures adopted by the State Council in February 1988 confirmed that investment in projects not included in the State budget is still considered excessive. 4/ New solutions to the problem are again being sought in 1988 through a restructuring of the investment management system and the continued encouragement of public bidding and specialized investment companies.

Investment in fixed assets by State-owned enterprises grew 14.4 percent to make up 64.3 percent of China's total investment spending in 1987. Investment by collectively owned enterprises increased by 22.4 percent for a 13.6-percent share, and that by individually owned enterprises grew 19.6 percent to make up 22.1 percent of the total. Capital construction by the State sector increased by 12.5 percent in 1987, but after correcting for inflation it was essentially unchanged from the 1986 level, China's goal for 1987. Moreover, the pace of State-sector investment growth steadily declined during the year, as shown by data on the quarterly growth rates: 24.4 percent in the first quarter, 17.3 percent in the second quarter, 10.7 percent in the third, and 7.8 percent in the fourth. 5/ In addition to indicating a slowdown in the State's investment expenditures,

1/ China Daily Business Weekly, Feb. 1, 1988, p. 3.

2/ Technical transformation is China's official designation for investment in the modernization of existing plants and equipment. It includes renovation projects to increase productive capacity, conserve energy, expand the variety of goods produced, and improve product quality.

3/ See, for example, 49th Quarterly Report . . ., p. 55.

4/ China Economic News (Hong Kong: Economic Information & Agency), Feb. 29, 1988, p. 9.

5/ SSB data cited in Ibid., pp. 9-11.

this trend may also reflect a general tightening of credit. Roughly 70 percent of all investment is now financed from earnings retained by business enterprises and from bank borrowing rather than from the State budget. 1/

Domestic economic policy.--The most significant features of China's domestic economic policies in 1987 were the economic maneuvers in preparation for November's 13th Communist Party Congress and the continued spread of enterprise or factory management reforms. Party congresses choose the Communist Party Central Committee, which in turn governs the party and the country through its standing committee and politburo. The major task before it in 1987 was the succession of leadership to younger officials, placing mainly men in their 50's and 60's, rather than those in their 70's and 80's, in the top positions. 2/

After student demonstrations in the winter of 1986-87, Deng Xiaoping, China's senior and foremost leader, and then Premier Zhao Ziyang carried out a series of policy steps meant to reassure conservatives that economic reform threatened neither economic nor national security. Although many of these actions were entirely political, such as the demotion of then Secretary General Hu Yaobang, some were also important in the economic sphere. A freeze on foreign-exchange outlays by State agencies--to appease critics of China's substantial trade deficit--brought about a balance in its international current account by as early as mid-1987. Well-publicized efforts to expand the area planted to grain--to address the concerns of conservatives for whom grain self-sufficiency is a popular policy objective--included a major fertilizer and diesel-fuel subsidy program that reactivated the interest of farmers in increasing their yields and bolstered fertilizer imports. As a result of these and other politically pre-emptive steps, very few issues were left for conservatives to complain about, and the new appointments at the 13th Party Congress prevented the best-known opponents of economic reform from even keeping their central committee seats.

Perhaps the most important domestic economic result of the reformers' political success is the increased likelihood that reforms of factory management will continue. These reforms are intended to eventually give a single individual, the factory director, legal and actual control of all business decisions and the possibility of a very high personal income if the factory is successful. China's reformers see the enterprise management reforms as an essential prerequisite for the success of their price reform program, which will allow prices to reflect market conditions and enable the State to dismantle its burdensome subsidy system. They also see the

1/ Based on data for 1986 in SSB, China Statistical Yearbook 1987, p. 468, and a statement in SSB, Communique on 1987 Economic Statistics, Feb. 23, 1988, to the effect that too many construction projects were not included in the State budget.

2/ See, for example, "The New Standing Committee Lineup," The China Business Review, January-February 1988, pp. 36-37.

success of Chinese-foreign joint ventures as heavily dependent on the quality and motivation of management on the Chinese partner side.

Foreign trade and other international accounts

China's foreign accounts in 1987 registered a marked recovery from 2 years of serious trade and balance of payments deficits. Merchandise trade was essentially in balance (exports and imports f.o.b.), and preliminary data on net invisible receipts point to a current account surplus and an end to the recent rapid increases in China's foreign debt. The recovery in the trade balance was largely due to the continued growth in exports of textiles, apparel, and other manufactured commodities. For the year as a whole, the growth of imports was nearly flat. However, quarterly trade trends show that fourth-quarter imports increased by 12 percent compared with the corresponding period of 1986, possibly as a result of the more relaxed political environment following November's Communist Party Congress.

Merchandise trade.--The sharply favorable 1987 turnaround in China's trade balance followed a combined 2-year deficit of more than US\$20 billion in 1985-86 (table 13). ^{1/} With a total trade turnover of US\$83 billion, more than double its value 5 years ago, the trade deficit declined to only US\$3.7 billion (exports f.o.b. and imports c.i.f.), and when conservative corrections are made to convert imports to an f.o.b. basis, the results show that China essentially balanced its foreign merchandise trade in 1987. Exports increased by 28 percent compared with their 1986 level, whereas imports hardly grew at all (1 percent). Table 13 shows both the sharp increase in China's imports from 1984 to 1985 and the subsequent strong export growth in 1987.

A major reason for this significant rise in China's exports was the increased volume of its textile and apparel shipments as well as improvements in their quality and increases in their unit value. According to customs data on the volume of apparel exports, the number of garments shipped by China increased by 35 percent, from 1.0 billion pieces in 1986 to 1.4 billion in 1987. This followed a 40-percent rise in the number of garments exported from 1985 to 1986. The volume of China's exports of woolen, cotton, polyester, and silk and satin fabrics also increased in 1987, as did that of carpets and other textile household goods. Statistics on the value of trade released by the Ministry of Foreign Economic Relations and Trade, which are less complete than customs data, show that exports of textile products, machinery, and electronic goods grew by

^{1/} Unless otherwise noted, the data on China's international accounts are customs statistics reported by the SSB, which presumably cover all trade transactions. For comparison, table 13 also shows the trade statistics reported by China's Ministry of Foreign Economic Relations and Trade (MOFERT), indicating the increasingly large number of trade transactions conducted by entities other than the State.

Table 13

China's trade with the world, by year, 1984-87, and by quarter, 1986-87

Year	Exports*	Imports*	Trade Balance*		Annual Growth	
	FOB	CIF	FOB	FOB-CIF	FOB-FOB	Exports Imports
MOFERT*	--Billions of US dollars--					--Percent--
1984	24.42	25.36	23.43	-.94	.99	10 37
1985	25.92	34.33	31.85	-8.42	-5.94	6 35
1986	27.01	33.08	30.50	-6.07	-3.48	4 -4
1987	34.60	32.74	30.12	1.87	4.49	28 -1
CUSTOMS STATISTICS*						
1984	25.76	27.60	25.51	-1.84	.25	16 29
1985	27.47	42.65	39.58	-15.18	-12.11	7 55
1986	30.90	42.90	39.59	-12.00	-8.69	12 1
1987	39.50	43.20	39.87	-3.70	-.37	28 1
QUARTERLY DATA						
1986:						
Jan.-Mar.	5.83	8.79	8.10	-2.96	-2.27	3 2
Apr.-June	7.69	11.12	10.26	-3.43	-2.57	23 10
July-Sept.	7.98	10.47	9.69	-2.49	-1.71	17 -1
Oct.-Dec.	9.40	12.52	11.55	-3.12	-2.15	8 -6
1987						
Jan.-Mar.	7.28	8.33	7.68	-1.05	-.40	25 -5
Apr.-June	9.35	10.31	9.51	-.96	-.16	22 -7
July-Sept.	9.87	10.58	9.73	-.71	.14	24 1
Oct.-Dec.	13.00	13.98	12.95	-.98	.05	38 12

*NOTE: Official trade data are reported exports FOB and imports CIF, which include various service charges China pays to itself; Rock Creek Research, Inc. conversion to imports FOB is based on a weighted average (92.8 percent) of FOB/CIF ratios for China's trade with its various major trading partners in previous years; MOFERT (Ministry of Foreign Economic Relations and Trade) data cover only transactions by the ministry itself, and since the early 1980's have failed to capture an increasingly large component of non-ministry trade reported by customs statistics (Customs Administration of China), which are therefore preferable.

SOURCE: MOFERT data from Rock Creek Research, Inc. data banks and (for 1987) Beijing Review, Feb. 1-7, 1988, pp. 22-23. Customs data from the State Statistical Bureau of China, China Statistical Yearbook 1987 (Chinese language edition) and (for 1987) China Economic News (Hong Kong: Economic Information and Agency), Feb. 1988, pp. 10-12.

33.5 percent in 1987 and that their combined value accounted for more than 40 percent of all exports.

China's imports in 1987, although remaining nearly unchanged for the second year in a row, showed significant adjustments reflecting domestic economic developments. A third year of harvests well below 1984's record output resulted in a more than doubling of grain imports, from 7.7 million metric tons in 1986 to 16.0 million metric tons in 1987. Owing to efforts to increase grain output, imports of chemical fertilizers, which had been declining for several years, also increased significantly, rising by 75 percent to almost 9 million tons. Since China's demand for food staples will continue to grow as urban incomes and urban populations increase, the rise in these and other farm-related imports can be expected to continue unless extremely good weather results in repeats of the bumper harvest of 1984. On the other hand, after declining by 58 percent in 1986, the number of automobiles imported dropped by 40 percent in 1987, to only 90,000. This 2-year decline was largely the result of the tight import restrictions that China imposed following an uncontrolled surge in auto imports during 1985 (354,000), which came mainly from Japan. Imports of synthetic fibers and filaments also continued to decline in 1987, reflecting a shift in consumer demand from manmade fabrics back to cotton.

Major trading partners. --Although data on China's 1987 trade with its major partners are incomplete for the whole year, results through November show that Hong Kong increased its lead as China's major export market and came closer to rivaling Japan as China's major source of imports. The size of China-Hong Kong trade is misleading, however, because of the large share of China's exports to Hong Kong that are re-exported to other countries and because of the large share of its imports from Hong Kong that are sourced outside the colony. On the basis of 1986 data, roughly half of China's exports to Hong Kong are re-exported elsewhere, and more than two-thirds of China's imports from Hong Kong are goods produced in other countries. 1/

Because of Hong Kong's entrepot role, China's reported trade with the United States, for example, differs substantially from that reported by official U.S. statistics. The preliminary Chinese statistics for 1987 show exports to the United States of \$3.0 billion and imports from the United States of \$4.8 billion, resulting in a Chinese trade deficit of \$1.8 billion. 2/ On the other hand, the U.S. data for 1987 compiled by the Department of Commerce for this report show that imports from China amounted to \$6.2 billion and that exports to China amounted to \$3.5 billion, resulting in a U.S. deficit of nearly \$2.8 billion. As disconcerting as these bilateral discrepancies may be, Hong Kong's increasing trade importance underlines a more significant phenomenon: the growing integration of Hong Kong's economy into that of mainland China.

1/ Hong Kong Census and Statistics Department, Hong Kong World Trade, 1970-86, and calculations in Rock Creek Research, China Economic Letter, June 29, 1987, pp.97-98.

2/ Zou Siyi, "Chinese and U.S. Officials on Bilateral Trade," Beijing Review, Feb. 8-14, 1988, p. 32.

China's large trade deficit with Japan in recent years has been significantly reduced as a result of the yen's revaluation and China's policy of pegging its currency to the U.S. dollar. 1/ Through November 1987, imports from Japan were down 21 percent compared with the same period in 1986, and Chinese exports to Japan increased by 31 percent. Overall, China's trade turnover with Japan declined by 4 percent during January-November 1987, roughly the same rate of decline as that for trade with the European Community (EC). The decline in trade turnover with the EC can be more than explained, however, by a one-time sale of roughly \$1 billion in gold bullion to England in 1986 that was not repeated in 1987.

Current account. -- Data released by China's State Statistical Bureau on net invisibles earnings in 1987 show a surplus of US\$3.39 billion on US\$5.38 billion in income and US\$1.99 billion in expenditures. 2/ The income items included US\$1.84 billion in tourism earnings, a 20.3-percent increase over these revenues in 1986, and US\$1.1 billion in earnings from foreign labor contracts, a 13.5-percent increase. 3/ However, these data do not seem to include the interest payments on foreign debt, which might have been large enough to reduce the reported invisibles surplus to the point where China's overall current account, like the merchandise trade account it includes, was also approximately in balance in 1987.

Foreign loans and investment. -- Official statistics show that China's foreign borrowing increased by 6.4 percent to US\$5.33 billion in 1987, including US\$3.38 billion in receipts from bond issues. 4/ This compared with increases of 109 percent in 1985 and 87 percent in 1986 owing to its large trade deficits in these 2 years. Although the level of borrowing was still quite high in 1987 given the marked improvement in China's trade balance, the extent to which these new funds were used to retire more expensive debt incurred in 1985-86 is not known. According to the Organization for Economic Cooperation and Development (OECD), China's foreign debt amounted to \$26.6 billion at yearend 1986. 5/

A considerable part of China's foreign-exchange receipts come in the form of direct investment by foreign firms in joint ventures. Direct foreign investment in China amounted to US\$2.24 billion in 1987, virtually the same as these receipts in 1986.

Recent policy initiatives to expand exports and attract more foreign investment. -- The improvement in the trade and other international accounts during 1987 and the increased availability of foreign exchange paved the

1/ Since July 1986, when the yuan, China's unit of currency, was officially devalued by approximately 15 percent against the U.S. dollar and other major trading currencies, the Chinese authorities have allowed the yuan to depreciate further by unofficially linking it to the falling U.S. dollar.

2/ SSB, Communique on 1987 Economic Statistics, Feb. 23, 1988, as translated in FBIS, Daily Report: China, Feb. 25, 1988, p. 22.

3/ China Daily, Feb. 1, 1988, p. 3.

4/ China Daily, Feb. 1, 1988, p. 2.

5/ OECD, External Debt Statistics (Paris, 1987), p. 12.

way for new initiatives to strengthen China's role in the world economy. During the 13th Chinese Communist Party Congress in November, Zhao Ziyang, speaking in his new capacity as Secretary General, established the overall direction of China's foreign economic policy as one of increased openness, accelerated growth in exports, and greater reliance on technology transfer. This address was followed by a series of policy announcements by both Zhao Ziyang and Li Peng, the new Premier, calling for a new reform of the foreign trade system in general, the reform of export policies, and special programs to attract foreign investment, especially in the coastal regions.

In late January, Zhao elaborated on his position that China's current trade system was designed when China was closed to the world and is therefore no longer suitable. He called for "bold" reforms even if there are problems and emphasized that there can be no going back to the "old path." 1/ Reversing the traditional Chinese position that China is a resource-rich economy, Zhao instead maintains that China is resource poor, especially along its coast, and should import raw and semi-finished materials for processing in coastal provinces to speed up "the world's shift to China for labor-intensive manufacturing." 2/ One of the specific reforms announced for the coastal provinces, and already underway in Fujian Province, is the outright sale of small State-owned industrial enterprises to individuals, including foreign individuals and companies. Other experiments in the leasing of land to foreigners, for periods of 20 and 50 years, are underway in Shanghai and in the Shenzhen special export zone near Hong Kong. 3/ These policy shifts represent in principle an extension of the factory management reforms being implemented throughout the country and reinforce China's official acceptance of wholly foreign-owned industrial enterprises.

Official emphasis on China's coastal zone for export promotion is supported by actual trade patterns. Eight coastal provinces generated 64 percent of China's total export sales in 1987, according to statistics from the Ministry of Foreign Economic Relations and Trade, 4/ and their share was probably even larger given the large volume of exports not included in ministry data but captured by customs statistics. In response to this trend, officials are extending the geographical scope of China's south coastal "delta zones" and calling for them to "deepen" their reforms, with emphasis on re-exports of processed imported materials. 5/ As part of this new policy, Hainan Island, off China's southern coast and nearly the size of Taiwan, has been designated a special export zone in its entirety.

1/ China Daily, Feb. 1, 1988, p. 1.

2/ China Economic News (Hong Kong: China Economic Information & Agency), Jan. 25, 1988, p. 6.

3/ China Daily, Feb. 8, 1988, p. 2.

4/ China Daily, Feb. 3, 1988, p. 2.

5/ Vice Premier Yao Yilin in a speech on Feb. 2, 1988, cited in China Daily, Feb. 4, 1988, p. 1.

Soviet Union

Soviet economic performance in 1987 was worse on balance than in 1986. However, the political leadership appears to have succeeded in moving the country further on the path of modernizing its outmoded economic management and structure.

According to preliminary data, the Soviet economy expanded by only 2.3 percent in 1987, rather than by 4.1 percent as had been planned. ^{1/} The failure to fulfill the plan is attributed mainly to a decline in overall exports, slow growth in agriculture, and bottlenecks created by new quality-control measures. Consumer-goods shortages were widespread and the production of high-technology machinery and equipment may have actually declined from 1986 to the year under review. At 4.7 percent, the growth in capital investment in 1987 exceeded the planned rate of 4.3 percent, but was considerably lower than the 8.0-percent rate reported for 1986. The Soviets claim that in 1987, for the first time, the entire annual increment in NMP came from increased labor productivity. The energy sector continued to recover, and transportation and trade registered some improvement. The quality of goods may have improved, and some of the reform's early results were encouraging. Analysts doubt that the current 5-year plan (1986-1990) will be fulfilled. ^{2/}

Industry

Gross industrial output increased by 3.8 percent in 1987. This was 0.6 percent lower than the planned growth and 1.1 percent lower than the growth registered in 1986. According to official statistics, labor

^{1/} The output of products and services in the Soviet Union is measured by the so-called "Net Material Product Produced," (NMP), which is roughly equivalent to the Western concept of national income. Growth rates in official Soviet economic reports do not account for price changes; therefore, they overstate growth in real terms. For more on this, see Morris Bornstein in U.S. Congress, Joint Economic Committee, Gorbachev's Economic Plans, vol. 1 (Washington, DC: U.S. Government Printing Office, 1987), pp. 123,124. In 1987, the Soviets began to report estimates of their country's annual Gross National Product (GNP)--an international standard for measuring economic performance. Western analysts believe that the reported 3.3 percent real GNP growth for 1987 is questionable because the Soviet statistical apparatus is not yet fully geared to produce accurate GNP figures. See John Tedstrom, Soviet Economic Performance in 1987: Stumbling Along the Path of Reform, Radio Liberty Research Bulletin, Feb. 11, 1988, pp. 1-5. Soviet policy makers are critical of the current system of economic statistics in general and want reform in this area. See Foreign Broadcast and Information Service (FBIS), Daily Report: Soviet Union, Feb. 3, 1988, pp. 4-6.

^{2/} For the current plan-period 1986-1990, Soviet planners call for an annual growth of 3.5 percent in the NMP, 3.8-4.4 percent in industrial production, 4.2-4.6 percent in labor productivity, 2.6-3.0 percent in agricultural output, and 3.3-3.8 percent in total investment.

productivity increased by 4.1 percent in 1987, confirming the trend towards an increasingly productivity-based industrial growth pattern.

Almost one-fourth of the industrial firms and associations failed to meet their contractual commitments and over two-thirds of the targets set for the production of advanced capital goods were not met in 1987. ^{1/} Output levels fell below the plan in the production of such vital capital goods as electric steel, metal-cutting machine tools, forging machines, turbine generators, tractors, and pressing machines. Poor results were reported in the attempt to save material costs, and the rate of depreciation remarkably accelerated. Efforts to improve the quality of industrial goods interfered with quantitative plan fulfillment, particularly in the machine industry.

Under the new rules on quality control, buyers (in both production and distribution) could reject industrial commodities for failing to meet certain technical requirements. Alternatively, buyers could require further work before accepting the merchandise. In 1987, production worth 13 billion rubles was accepted only after additional work, and production worth 53 million rubles was totally rejected. ^{2/}

The metallurgy and energy sectors were the most successful in 1987. Production increases in rolled metal products, pipes, and hardware reportedly occurred with virtually no increase in iron-ore extraction or in cast-iron and coking-coal production. Energy output grew by 3.2 percent with labor productivity increasing by 4.7 percent. (The total labor force in the energy sector actually declined.) The oil industry continued its recovery for the second consecutive year. The production of oil and gas condensates increased by 1.5 percent, from 615 million metric tons (Mt) in 1986 to 624 Mt in 1987. Natural gas output increased by 6.0 percent to 727 cubic meters, and coal production by 1.2 percent to 760 Mt. At 1,665 billion kilowatt hours, electrical power generation in 1987 exceeded the 1986 output by 4.0 percent.

In 1987, 2,500 industrial associations and enterprises operated on the basis of financial autonomy and self-financing. These deregulated outfits, representing about 20 percent of the country's industrial output and 16 percent of its industrial employment, generally performed better than enterprises operating under the traditional planning system.

Agriculture

Overall agricultural output rose only by 0.2 percent with results in the individual branches falling way below planned levels. Bad weather and disruption caused by administrative reorganization and new policies explain the setbacks.

^{1/} The output of industrial robots actually declined by 8 percent in 1987.

^{2/} The 13 billion rubles worth of conditionally rejected products represented about 2.2 percent of the Soviet Union's 600-billion-ruble NMP in 1987.

Although falling considerably short of the 232 Mt target, Soviet grain production in 1987 reached 211 Mt, the fourth biggest harvest in the country's history. For the first time, Soviet grain production exceeded 200 Mt in 2 consecutive years. 1/ Soviet fruit and vegetable production was poor during the year under review. The decline in potato production was 13 percent; in vegetable production, 2 percent; and in fruit production, 31 percent. The produce were generally of low quality. Wool and cotton procurement also decreased in 1987. However, sugar beet and sunflower production registered significant gains. The 9-percent increase in meat procurement may have been partially achieved by the premature slaughter of animals. Foot and mouth disease and fertility problems also may have contributed to the decline in the stocks of cattle, pigs, sheep, and goats.

In 1987, 31 percent of the grain crops, 82 percent of sugar beets, and 54 percent of sunflowers were under so-called "intensive cultivation." 2/ The yield in the areas under intensive cultivation exceeded overall averages for the country. In grain production, intensive cultivation produced 38 percent higher yields than the national average; in sunflower production, 16 percent. There was also a considerable increase in sowing of winter crops cultivated by intensive techniques.

Falling yields caused by soil erosion and pest buildups in certain areas of cultivation in 1987 prompted a new debate on ecological damage in the Soviet Union.

Foreign Trade and Finance

According to Soviet data, total exports in current prices declined by 1.9 percent to 67 billion rubles in 1987 and total imports by 2.6 percent to 61 billion rubles. Owing to lower world market prices of both Soviet exports and imports, Soviet trade turnover in current prices declined by 2.2 percent in 1987 but increased by 1.0 percent in volume. 3/ Western analysis of the spotty Soviet trade statistics suggests that the decline in total merchandise trade in 1987 was caused by a decline in the ruble-denominated rather than in the hard-currency trade. According to Western estimates, 4/ Soviet hard-currency imports increased by 6.4 percent in current dollar terms from \$26.6 billion in 1986 to \$28.3 billion in 1987, and Soviet hard-currency exports by 8.1 percent, from \$27.3 billion to \$29.5 billion. One factor behind the increase in the value of Soviet

1/ As much as 10 percent of the grain output may have been left to rot in the fields during the wet harvesting period.

2/ The expression "intensive cultivation" or "intensive technology" denotes the agronomical practice of optimizing the quantity and quality of inputs in order to maximize yields, with only secondary regard to costs.

3/ The year under review marked the third consecutive yearly decline in Soviet trade turnover. For details, see, 45th Quarterly Report . . ., p. 66, and 49th Quarterly Report . . ., p. 61.

4/ WEFA, CPE Outlook for Foreign Trade and Finance, December 1987, p. 27.

exports to the West was the recovery of oil prices in world markets during 1987. Since the price of Soviet oil sold to other NME's is calculated on a 5-year sliding average, the price of oil sold to other NME's declined for the first time.

The Soviet trade surplus increased from \$718 million to \$1,245 million over the period. Estimates indicate that the Soviet deficit in trade with the West may have been eliminated altogether in 1987. Whereas the Soviet surplus widened in trade with the developing world, the country's traditional deficit may have shrunk in trade with the other NME's during the year under review. The surplus on the current account increased from \$1,052 million in 1986 to \$1,376 million in 1987.

As a result of borrowing hard currency to extend loans to developing countries, and the depreciation of the dollar, the Soviet hard-currency gross debt increased from \$35.4 billion at the end of 1986 to an estimated \$39.2 billion at the end of 1987. ^{1/} Net debt increased from \$19.7 billion to \$23.4 billion over the period.

During 1987, the Soviet Government reorganized its foreign trade apparatus ^{2/} and allowed some enterprises to establish direct ties with foreign firms. According to Soviet statistics, 12 percent of the country's total exports and 28 percent of its total imports were the result of direct contacts between Soviet firms and the world market.

Further measures in October 1987 created new incentives for Soviet enterprises and various ministries (portfolios) to export and engage in joint ventures with foreign firms. Soviet enterprises were allowed to export their output in excess of the plan and ministries to spend a certain portion of their hard-currency export revenue on authorized items without permission from supervisory agencies. Ministries and enterprises were allowed to count output produced abroad and purchased by the Soviet side towards the fulfillment of the plan. They were also allowed, subject to authorization on a case-by-case basis, to lend their hard-currency surplus to other Soviet producing firms or associations at a fixed rate of interest or to invest it abroad. According to assessments both within and without the Soviet Union, the attractiveness of joint ventures for foreign partners needs improvement. At the end of 1987, the profit-tax rate was still 44 percent and the 2-year tax holiday for foreign partners in joint

^{1/} According to estimates by WEFA, the Soviets extended loans to developing countries in the amount of \$5.0 billion during 1987. They sold gold worth \$2.2 billion. Because the sum of the current-account surplus (\$1.4 billion) and gold sales (totaling \$3.6 billion) fell short of the \$5.0 billion by \$1.4 billion, they had to borrow the difference. This \$1.4 billion and the effect of dollar depreciation, estimated at \$2.4 billion, account for the \$3.8 billion increase in the gross debt.

^{2/} For detailed information on the foreign trade reforms, see 49th Quarterly Report . . . , pp. 62,63. For an assessment of the reform's accomplishments, see Philip Hanson, Foreign Trade: The Restructuring of the Restructuring, Radio Liberty Research, Feb. 9, 1988, pp. 1-7.

ventures had to be counted from the date on which profits were made. In 1987, 23 joint ventures and 14 international associations (cartels) were registered in the Soviet Union. At the end of 1987, approximately 200 joint ventures between Soviet and foreign firms were under negotiation and interest by both Western and NME firms appeared to be growing.

During the year under review, for the first time since 1917, the Soviets made preparations to begin borrowing on world bond markets. ^{1/} According to Mr. Geraschenko, vice president of the Soviet Bank for Foreign Affairs, the Soviet Union aims to meet about 2 percent of its future investment financing from hard-currency sources, with bond issues playing a significant part. Western analysts say that if the Soviets want to import capital in this way, they will have to release a wealth of hitherto unpublished economic statistics in order to comply with the strict prospectus requirements of public bond issues in Western countries.

Economic policies

In his speech to the Plenum of the Central Committee in July 1987, Mr. Gorbachev spelled out more clearly than ever before the policies designed to democratize economic decisionmaking in the Soviet Union over the long haul. Transition from the current system of detailed central planning in the predominantly heavy-industry-oriented Soviet economy to a considerably more decentralized, consumer-oriented, high-tech economy is to be accomplished through the implementation of the following three major groups of policies: (1) the reduction of central control across the entire spectrum of economic hierarchy with the corollary increase in enterprise independence, labor mobility, and reduction of subsidies; (2) price reform to replace the central planners' priorities in resource allocation with the more objective and less expensive guidance system of the market; and (3) new, consumption-oriented State investment policies to assure higher real incomes for better work and risk taking early in the transition process. ^{2/}

The reform program presented by Mr. Gorbachev was approved by the Central Committee and was translated into a number of legislative decrees during the year under review. The reform's legislative package established a very flexible and broad framework for economic policy. For reasons of political strategy, the leadership has remained silent on ideological issues. As the aftermath of Hungary's 1968 reform amply demonstrated, the

^{1/} On Jan. 5, 1988, the Soviet Union entered the world bond market with a bond issue of SFr 100 million. Also in January 1988, the Soviet Bank for Foreign Affairs in Zurich, Switzerland was engaged in negotiations with a West German concern over an 8-year DM 600 million bond issue earmarked for a Soviet construction project. According to WEFA, Soviet demand for hard currency may increase by \$3 billion during 1988.

^{2/} For a succinct analysis of reform policies, see John P. Hardt and Richard F. Kaufman in U.S. Congress, Joint Economic Committee, Gorbachev's Economic Plans, vol. 1 (Washington, DC: U.S. Government Printing Office, 1987), pp. VII-XIX.

conflict between labor and profit-maximizing management can easily revive in a reformed NME economy. 1/ In efforts to recentralize, workers that are discontent with inequality and worried about losing their economic security can become willing allies to die-hard Communist ideologues and bureaucrats threatened by the reform. 2/

In 1987, Soviet authorities prepared for the extension of the deregulation of more industrial associations and enterprises. The total number of deregulated associations and enterprises will represent about 60 percent of the Soviet Union's industrial capacity in 1988. Preparations were also completed during the year under review to begin implementation of the price reform and the introduction of wholesale trade into the chain of distribution over the period 1988-1990. The price reform will be based on a three-tier price system, consisting of centrally controlled prices, contract prices (determined through contract negotiations between firms), and free-market prices.

The doubt Western analysts have about the success of the Soviet reform movement centers around the price reform. Soviet policymakers are determined to implement all facets of the reform program gradually, including the price reform. They evidently want to free prices from central control only to the extent they think their overall policies have created equilibrium between supply and demand in various markets. This is at odds with Western economic doctrine which contends that only the free play of market forces can balance supply and demand. 3/

Eastern Europe

Romania

The forced-pace reduction of hard-currency debt continued at the expense of the country's economic health during the year under review. Acute shortages of food, energy, and production inputs have reportedly pushed public morale to a new low. Many Western analysts believe that the policy of redirecting production to the export sector has reached its limit. 4/ On the other hand, Romania did not need any debt rescheduling during 1987.

1/ See Richard D. Portes, Economic Reforms in Hungary, The American Economic Review, May 1970, pp. 307-313.

2/ Forced resignations and new appointments in the Soviet economic apparatus throughout 1987 and early 1988 are viewed by Western analysts as signs that the Gorbachev reforms are encountering resistance. See JEFA, Soviet Union, Current Analysis, Sep. 22, 1987, p. 2.

3/ Statements by Ed A. Hewett, Senior Fellow of the Brookings Institution, at the National Issues Forum on "Perestroika: The Economic And Political Implications of the Gorbachev Reforms," Brookings Institution, Washington, DC, Feb. 17, 1988.

4/ Radio Free Europe Research, vol. 12, No. 52, p. 41.

According to official statistics, domestic output grew by 5.6 percent in 1987, industrial output by 4.5 percent, and investment by only 0.5 percent. 1/ Decline in the vital oil industry continued. At 7.5 million metric tons (Mt), oil production in 1987 was about half of the 1976 output. Natural gas production declined from 26.7 billion cubic meters in 1986 to 25.3 billion cubic meters in 1987. Coal production increased from 47.5 Mt in 1986 to 51.5 Mt in 1987 but fell far below the plan target. Although the grain harvest set a new annual record of 31.7 Mt in 1987, poor performance in other sectors reduced overall agricultural output by 2.3 percent from the 1986 level. The authorities admitted for the first time that performance in many economic sectors was unsatisfactory. 2/

Romania's hard-currency exports increased by 6.1 percent, from \$6.0 billion in 1986 to \$6.3 billion in 1987. The country's hard-currency imports increased by 9.3 percent, from \$4.0 billion to \$4.4 billion over the period. 3/ Thus, the surplus on the country's merchandise trade balance remained unchanged at \$1.9 billion. The surplus on the current account balance increased from \$1.4 billion to \$1.6 billion. Gross debt declined from \$6.0 billion at yearend 1986 to \$4.7 billion at yearend 1987 and net debt from \$5.4 billion to \$4.0 billion. 4/ Exports to other NME's remained unchanged, whereas imports plummeted by 11 percent. The NME's

1/ Similar to the Soviet statistical practice, national production in Eastern Europe is measured by the so-called "Net Material Product Produced" (NMP), which is roughly equivalent to the Western concept of national income. Growth rates in official East European economic reports do not fully account for price changes; therefore, they overstate growth in real terms. See 49th Quarterly Report . . . , p. 64.

Western analysts, who have been particularly doubtful about Romanian economic statistics during the 1980's, claim that both the quality and quantity of economic statistics have deteriorated during 1987. In particular, data presented to Western commercial banks during the first half of 1987 appear inconsistent with the specifics of the annual performance statistics. WEFA, CPE Outlook: Romania, March 1988, p. 3.

2/ Radio Free Europe Research, vol. 13, No. 6, pp. 5-7.

3/ WEFA, CPE Outlook for Foreign Trade and Finance, December 1987, p. 85.

4/ Romanian industrial exports will face a particularly difficult situation at least through 1988. In January 1988, the European Community (EC) informed the Romanian Government, that it could not expect to gain any concessions in EC quotas for over 2,000 Romanian industrial products as long as Romanian imports from the EC remained at their current, depressed level. The Economist Intelligence Unit (EIU), Romania, Bulgaria, Albania, No. 1, 1988, p. 20. In February 1988, the Romanian Government informed the U.S. Government that it is not seeking renewal of MFN tariff treatment for its exports under the conditions of the Jackson-Vanik Amendment of the Trade Law of 1974. (See more on the continuation of MFN for China, Hungary, and Romania, earlier in this report.) Consequently, the success of maintaining the momentum of Romania's current export drive may depend increasingly on mineral and agricultural products.

share in Romanian trade shrank from 32 percent in 1985 to 26 percent in 1986, and to 18 percent in 1987. 1/

Romania is the only member of the Council for Mutual Economic Assistance (CMEA) to attempt to tighten rather than loosen central control over the economy. Measures introduced in 1987 increased the operative management's accountability to party authorities for the fulfillment of production targets. 2/ Romanian resistance to market-oriented economic reforms allegedly strained relations with the Soviet Union during the year under review. Mr. Gorbachev's presentation of his reform ideas during his visit to Bucharest in May 1987 met with reported resentment from the Romanian side. 3/ Little progress was made in establishing direct links between Soviet and Romanian industrial enterprises in 1987. The reason, no doubt, was Romanian opposition to the loss of central control involved in this form of cooperation among NME firms. 4/

Poland

Domestic production expanded by a modest 2.0 percent in 1987, at less than half of the 4.9-percent rate reported for 1986. 5/ A 3-percent decline in agricultural output was the main cause for the deceleration. Frost damage reduced fruit production by 75 percent and overall plant production by 2 percent in 1987. These losses more than offset the 4.1-percent increase in grain and the 5.0-percent increase in vegetable production. Shortages in certain food items and in feed stuff led to a 1.9-percent decline in the production of livestock for slaughter during the year under review. 6/

In 1987, Poland's total industrial output increased by 3.3 percent and output in the manufacturing sector by 3.5 percent. According to official Polish statistics, output in the precision engineering industry grew by 11.4 percent; in the machine-building industry, by 8.2 percent; in the electrical engineering and electronics industry, by 7.7 percent, and in the transport equipment industry, by 6.1 percent. However, production declined by 1.7 percent in the iron and steel industry. Declines were also reported

1/ Ibid. In light of the 1987 results and projections, it is unlikely that Soviet-Romanian trade will increase by 60 percent in volume over the 1986-1990 period as stipulated by the long-term bilateral arrangements made in January 1986 and May 1987. According to WEFA, this trend will continue until the NME's share in Romanian trade will fall to 6 percent in the 1990's.

2/ WEFA, CPE Outlook: Romania, March 1988

3/ Radio Free Europe Research, vol. 12, No. 52 (Dec. 30, 1987), p. 43.

4/ Ibid.

5/ For Poland's official report on 1987 economic performance see FBIS, Daily Report: Eastern Europe, Feb. 9, 1988, pp. 24-39.

6/ Ibid. The stock of cows declined by 3.7 percent and the stock of pigs by 1.4 percent during 1987.

in the production of such important goods as tractors, industrial textiles, heating gas, refrigerators, matches, hosiery, and beer.

Despite continued, persistent shortages in industry and consumption, the Government claimed that real personal consumption increased by 2 to 3 percent and real gross investment by 6 percent in 1987. State subsidization of both producers and consumers may account for much of these officially claimed increases. In 1987, State subsidies for food soared by 45.5 percent, and subsidies paid for other consumer goods increased by 37.3 percent. The internal fiscal debt continued to widen in 1987, because the growth in expenditures outstripped the growth of revenues by 2.6 percentage points. 1/

The volume of Poland's hard-currency exports increased by 10.9 percent from \$6.5 billion in 1986 to \$7.2 billion in 1987. 2/ The country's hard-currency imports increased by 8.9 percent, from \$5.4 billion to \$5.9 billion over the period. Consequently, the surplus on the merchandise trade balance increased from \$1.1 billion in 1986 to \$1.3 billion in 1987. Some of this increase can be attributed to an overall favorable trend in export prices. The deficit on the current account increased from \$410 million in 1986 to \$613 million in 1987. Gross debt ballooned from \$33.0 billion at yearend 1986 to \$37.0 billion at yearend 1987, and net debt from \$23.7 billion to \$35.2 billion. According to official Polish estimates, over 61 percent, or \$2.9 billion, of the total increase in the gross debt during 1987 resulted from the depreciation of the dollar on foreign exchange markets. 3/ The volume of ruble exports increased by 4.7 percent and the imports from these countries by 4.5 percent in 1987. Poland's ruble-denominated gross debt increased by 100 million to 6.6 billion by yearend 1987. 4/

During 1987, Poland concluded rescheduling agreements with both commercial and official creditors. In July 1987, commercial creditors agreed to reschedule over 15 years \$8 billion worth of principal owed by Poland during 1987-1993. 5/ At the meeting of the Paris Club in December 1987, the creditor governments and Poland concluded an umbrella accord to reschedule most of Poland's payment obligations that fell due in 1986 and 1987, and that will fall due in 1988. 6/ The accord stipulates that Poland will negotiate bilateral payment agreements with each of the 17 creditor governments for payments to be made during 1993-1997.

1/ According to WEFA, officially reported economic data suggest that the authorities shifted the tax burden from enterprises to households in 1987.

2/ WEFA, CPE Outlook for Foreign Trade and Finance, December 1987 p. 47.

3/ Rzeczpospolita, Jan. 29, 1988, p. 1 (in Polish).

4/ WEFA, Current Analysis: Polish Economic Results in 1987, Mar. 10, 1988, p. 7.

5/ The terms of the rescheduling were favorable for Poland. The margin over Libor was lowered to 15/16 percent, and the banks committed themselves to maintain a \$1 billion credit line for financing Polish trade.

6/ Not covered by the agreement are varying portions of payment arrears from previous debt relief agreements.

The authorities reduced and simplified the country's economic apparatus during the year under review. Enterprise independence may have marginally increased as a result. 1/ On November 29, 1987, a referendum was held on further reform measures, which set out to increase the role of the market through drastic price hikes and reduction of subsidies, among other things. The population rejected the program, forcing the authorities to tone down the incomes policy elements of the measures contemplated for the 1988-1991 period. 2/ Reform measures scheduled for 1988 include steps to bring domestic prices closer to world-market prices and to increase the market's role in the allocation of raw materials. 3/ Poland's 1988 plan, approved in December 1987, appears very optimistic. 4/

Hungary

Enhanced profit motivation on the enterprise level and grave concern over foreign debt characterized the Hungarian economy in 1987. Domestic output expanded by 2.3 percent and industrial output by 3.7 percent in 1987. 5/ Sharp increases in nuclear power output, oil and gas refining, pharmaceutical's production, and some processing industries production more than compensated for the near stagnation in mining, metallurgy, machine production, and light industries. But agriculture, the mainstay of the country's economy, fared poorly. Agricultural output declined by 0.5-1.5 percent from its 1986 level. Drought damage reduced plant production by 4 percent in 1987, with fruit production dropping by 16 percent and vegetable production by 4 percent. At 14.1 Mt, grain production remained virtually unchanged from 1986.

Hungary's hard-currency exports increased by 11.6 percent from \$4.5 billion in 1986 to \$5.0 billion in 1987. 6/ The country's hard currency imports increased by 9.1 percent, from \$4.9 billion to \$5.4 billion. The deficit in merchandise trade narrowed slightly, from \$444 million to \$371 million, and the current account deficit declined from \$1.4 billion to \$0.9 billion. The gross debt soared from \$15.2 billion to \$17.0 billion and the net debt from \$13.1 billion to \$15.2 billion. Exports to developing countries declined by 5.7 percent, imports from these

1/ For a summary of these measures see The Economist Intelligence Unit (EIU), Country Report: Poland, No. 1, 1988, pp. 7-11; and FBIS, Daily Report: Eastern Europe, Dec. 7, 1988, p. 40.

2/ For a summary of measures planned for the 1987-1991 period, see FBIS, Daily Report: Eastern Europe, Feb. 19, 1988, p. 38.

3/ See EIU, op. cit., and FBIS, Daily Report: Eastern Europe, Dec. 15, 1987, pp. 25-29.

4/ According to plans, domestic output will expand by 3.2-3.8 percent and industrial production by 3.4-3.7 percent in 1988. The Government wants to maintain the favorable \$1.2 billion merchandise trade surplus in 1988.

5/ For Hungary's 1987 economic performance report see FBIS, Daily Report: Eastern Europe, Feb. 8, pp. 24-30; and Feb. 1, 1988, pp. 25-27.

6/ Statisztikai Havi Közlemenyek, January 1988, p. 46 (in Hungarian).

countries, by 5.1 percent. However, trade with other NME's in ruble terms (including hard currency trade) increased during the year under review. Exports increased by 1.4 percent, from 9.0 billion rubles in 1986 to 9.1 billion rubles in 1987. Imports from these countries increased by 2.3 percent, from 8.8 billion rubles to 8.9 billion rubles over the period. The 1986 deficit of 272 million rubles in trade with these countries turned into a surplus of 195 million rubles in 1987. 1/ The 7.3-percent growth in exports to the Soviets in conjunction with only 0.6-percent increase in imports from them suggests that Hungary is trying to eliminate its deficit in trade with the Soviets to avoid further growth of its estimated 2 billion ruble debt. 2/

The country's solvency and creditworthiness came into question in midyear when foreign trade performance fell severely short of projections. In October, the West German Government extended a DM 1 billion loan to Hungary, and the country began negotiations with the International Monetary Fund (IMF). 3/ This restored the country's creditworthiness to some extent and gave the leadership another respite to implement corrective measures. Reform measures introduced during the year under review tightened rules for the liquidation of perennially unprofitable enterprises and attempted to encourage industrial cooperation with the West. The new banking system, with a central bank and five commercial banks, was launched as scheduled. The bond market was expanded and Hungary began to use monetary policy to regulate the pace of economic activities. 4/ The financial discipline involved in the use of commercial credit strengthened the role of profit in industry. This led to layoffs and an officially recognized problem of unemployment. 5/

In September 1987, the authorities announced their "New Stabilization Program" for the 1988-1990 period that aims at assuring the country's creditworthiness and restoring balanced growth. 6/ Among the measures scheduled for introduction in 1988 are the value-added tax, personal income tax, and a reduction in subsidies to both producers and consumers. Many Western observers expect drastic price increases and a possible further rise in unemployment in 1988. 7/

East Germany

Strong industrial growth coupled with shortages of manpower, energy, material, and consumer goods remained the most noteworthy features of East

1/ Statisztikai Havi Kozlemenyei, op. cit.

2/ WEFA, Ruble Debts of East European CMEA Countries, Current Analysis, Nov. 13, 1985.

3/ FBIS, Daily Report: Eastern Europe, Oct. 8, 1987, pp. 24, 25.

4/ The National Bank of Hungary, Market Letter, January 1988.

5/ Radio Free Europe Research, vol. 13, No. 7 (Feb. 15, 1988).

6/ FBIS, Daily Report: Eastern Europe, Sept. 30, 1987, pp. 46-57.

7/ Radio Free Europe Research, vol. 12, No. 52 (Dec. 30, 1987).

Germany's overcentralized economy in 1987. 1/ According to the official performance report, the domestic economy expanded by 4.0 percent in 1987-- industrial output by 3.7 percent, investment by 9.6 percent, and productivity by 6.6 percent. 2/ Computer production reached 50,000 units and industrial robots 14,700 units. Although East German computer technology lags behind that of Western countries, the development of a medium-size mainframe computer and a new 32-bit model appear impressive. Agricultural performance was weak. Grain output reached only 11.5 Mt, the lowest level since 1983. Animal stocks declined, and the authorities admitted that industrial pollution has damaged the country's forests and water resources.

East Germany's hard-currency exports increased by 3.5 percent, from \$9.2 billion in 1986 to \$9.5 billion in 1987. 3/ The country's hard-currency imports increased by 7.2 percent, from \$8.8 billion to \$9.4 billion over the period. The surplus in merchandise trade declined from \$453 million to \$153 million, and the surplus on the current account balance, from \$740 million to \$341 million. Gross debt increased from \$16.4 billion at yearend 1986 to \$16.6 billion at yearend 1987, and net debt from \$8.9 billion to \$9.6 billion.

Some economic policy measures introduced during 1987 may have marginally increased industrial enterprise autonomy, but the political leadership remained impervious to the thought of economic decentralization.

Czechoslovakia

The Czechoslovak economy grew moderately during the year under review and the authorities made a fresh start in introducing market-oriented economic reforms. Domestic output grew by an estimated 2.1 percent in 1987; industrial production expanded by 2.3 percent. Plans to rechannel resources from the heavy industries to electronics, advanced machinery, and equipment remained unfulfilled. Agricultural output increased only by 0.9 percent. 4/ At 11.7 Mt, total grain harvest was only slightly below 1984's alltime record of 12.0 mmt. Vegetable production declined by 4.5 percent, whereas the output in animal husbandry increased by 3.4 percent. As a result of unplanned increases in animal stocks, there was a shortage of protein feed in 1987.

1/ Deutsche Institute fur Wirtschaft Forschung: "Die Lage der DDR-Wirtschaft zur Jahres Wende 1987-1988," West Berlin, Feb. 4, 1988, pp. 59-67 (in German).

2/ For the official statistics on East Germany's 1987 economic performance see FBIS, Daily Report Eastern Europe, Jan. 14, pp. 18-19, 1988, and Feb. 2, 1988, pp. 12-32. According to Western estimates, the officially reported 4.0-percent growth in the economy includes at least 1.0 percent of concealed inflation. EIU, East Germany, No.1, 1988, p. 5.

3/ WEFA, CPE Outlook for Foreign Trade and Finance, December 1987, p. 55.

4/ FBIS, Daily Report: Eastern Europe, Feb. 19, 1988, p. 14.

Czechoslovakia's hard-currency exports increased by 4.7 percent, from \$4.5 billion in 1986 to \$4.8 billion in 1987. ^{1/} The country's hard currency imports increased by 13.4 percent, from \$4.3 billion to \$4.8 billion. The \$295 million merchandise trade surplus in 1986 turned into a deficit of \$58 million in 1987. The \$230 million surplus in the current account gave way to a deficit of \$212 million. Gross debt increased from \$4.1 billion at yearend 1986 to \$4.9 billion at yearend 1987, and net debt from \$2.9 billion to \$3.4 billion.

Reformist Soviet economic policies began to catch up with the Czechoslovak political leadership in 1987. In midyear, the authorities announced their reform program that aims at increasing enterprise independence with a parallel deregulation of prices. Implementation of the first phase of the reform will last through 1991. Western analysts think that domestic political wrangling over the content and pace of the new economic reform will likely result in a slower process of implementation than envisaged in 1987. ^{2/}

Bulgaria

Domestic production expanded by 5.1 percent and industrial output by 4.4 percent in 1987, according to the official economic performance report for 1987. ^{3/} Production increased by 16.0 percent in electronics and 8.6 percent in heavy machinery. The energy output grew by 5.7 percent. Exceptionally harsh weather conditions led to a 3.8-percent decline in agricultural output. Shortages were reported in corn, sugar, potatoes, soybeans, and fruits. Total meat production declined by 1.6 percent.

Bulgaria's hard-currency exports increased by 9.1 percent from \$2.6 billion in 1986 to \$2.8 billion in 1987. ^{4/} As a result of strict austerity measures, the country's hard-currency imports declined by 16.3 percent, from \$3.4 billion to \$2.9 billion. The deficit in merchandise trade declined from \$845 million in 1986 to \$47 million in 1987, and the current account deficit, from \$867 million to \$159 million. The gross debt increased from \$5.5 billion at yearend 1986 to \$5.6 billion at yearend 1987, and the net debt, from \$4.1 billion to \$4.6 billion.

Little progress was made in reforming the economy in 1987, but the country's leadership remained firmly committed to economic decentralization. After abolishing industrial branch ministries in 1986, new vertically integrated associations--grouped by the use of common technology, overlapping interest in research and development, the procurement of inputs, and marketing--were established in 1987. In concept, the new associations are very similar to the East German

^{1/} WEFA, CPE Outlook for Foreign Trade and Finance, December 1987, p. 66.

^{2/} EIU, Country Report, Czechoslovakia, No. 1, 1988, pp. 6-10.

^{3/} For the official performance report, see FBIS, Daily Report: Eastern Europe, Feb. 4, 1988, pp. 4-12.

^{4/} WEFA, CPE Outlook for Foreign Trade and Finance, December 1987, p. 97.

"combines," which represent the backbone of that country's economic organization. 1/ Attempts in 1987 to auction off leases for small commercial outlets to the public in order to mobilize entrepreneurship did not succeed. Prohibitively high taxes, high rents, and legal insecurity (i.e., the public's fear of renationalization without compensation) were cited as reasons for the failure. 2/ Although efforts to establish joint economic ventures with Western firms produced very limited results in 1987, the authorities are apparently determined to continue their policy of opening towards the West.

1/ WEFA, Centrally Planned Economies Service, Analysis of Current Issues, Bulgaria's Economy in 1987: Stagnation Ahead?, Jan. 8, 1988, p. 1.

2/ Radio Free Europe Research, vol. 13, No. 6 (Feb. 12, 1988), p. 15.

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APPENDIX A

U.S. TRADE WITH THE NONMARKET ECONOMY COUNTRIES
BY SITC SECTIONS, 1985-87

Table A-1.--U.S. trade with all nonmarket economy countries, 1/ by SITC Sections, 1985-1987

(In thousands of dollars)			
SITC Section	1985	1986	1987
U.S. exports:			
0. Food and live animals-----	2,028,070	511,330	1,285,732
1. Beverages and tobacco-----	24,822	16,947	19,322
2. Crude materials--inedible, except fuel-----	804,786	814,638	644,591
3. Mineral fuels, lubricants, etc-----	154,162	134,496	120,703
4. Oils and fats--animal and vegetable-----	68,253	21,566	20,080
5. Chemicals-----	883,902	827,835	1,154,912
6. Manufactured goods classified by chief material-----	392,922	242,301	275,066
7. Machinery and transportation equipment-----	2,167,019	2,003,512	1,714,993
8. Miscellaneous manufactured articles-----	411,353	422,025	358,263
9. Commodities and transactions not elsewhere classified-----	86,399	77,947	84,940
Total-----	7,021,687	5,072,596	5,678,602
U.S. imports:			
0. Food and live animals-----	349,361	409,313	523,036
1. Beverages and tobacco-----	39,481	47,817	52,845
2. Crude materials--inedible, except fuel-----	152,942	155,693	201,920
3. Mineral fuels, lubricants, etc-----	1,521,250	1,096,874	963,199
4. Oils and fats--animal and vegetable-----	1,435	2,873	3,257
5. Chemicals-----	536,963	499,022	357,157
6. Manufactured goods classified by chief material-----	970,981	1,026,867	1,362,629
7. Machinery and transportation equipment-----	245,804	266,392	614,489
8. Miscellaneous manufactured articles-----	1,915,666	2,896,143	3,984,291
9. Commodities and transactions not elsewhere classified-----	56,787	255,049	82,892
Total-----	5,790,671	6,656,044	8,145,716

1/ Albania, Bulgaria, China, Cuba, Czechoslovakia, East Germany, Hungary, Mongolia, North Korea, Poland, Romania, the U.S.S.R. (including Estonia, Latvia, and Lithuania), and Vietnam.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table A-2.--U.S. trade with China, by SITC Sections, 1985-1987

(In thousands of dollars)

SITC Section	1985	1986	1987
U.S. exports:			
0. Food and live animals-----	102,775	20,632	258,067
1. Beverages and tobacco-----	1,236	2,437	347
2. Crude materials--inedible, except fuel-----	567,039	357,173	433,548
3. Mineral fuels, lubricants, etc-----	2,192	7,255	6,957
4. Oils and fats--animal and vegetable-----	72	2,758	555
5. Chemicals-----	513,547	441,299	809,970
6. Manufactured goods classified by chief material-----	359,162	204,562	231,714
7. Machinery and transportation equipment-----	1,921,262	1,705,320	1,478,903
8. Miscellaneous manufactured articles-----	312,887	318,558	216,166
9. Commodities and transactions not elsewhere classified-----	16,027	16,030	23,368
Total-----	3,796,200	3,076,023	3,459,595
U.S. imports:			
0. Food and live animals-----	155,832	191,809	265,607
1. Beverages and tobacco-----	5,274	8,048	8,597
2. Crude materials--inedible, except fuel-----	124,064	108,151	143,266
3. Mineral fuels, lubricants, etc-----	983,732	631,755	485,477
4. Oils and fats--animal and vegetable-----	1,353	2,490	3,215
5. Chemicals-----	159,693	173,367	195,731
6. Manufactured goods classified by chief material-----	615,809	680,357	927,476
7. Machinery and transportation equipment-----	90,868	144,486	468,828
8. Miscellaneous manufactured articles-----	1,683,425	2,645,539	3,676,085
9. Commodities and transactions not elsewhere classified-----	43,335	85,468	69,596
Total-----	3,863,385	4,671,469	6,243,877

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table A-3.--U.S. trade with the U.S.S.R., 1/ by SITC Sections, 1985-1987

(In thousands of dollars)

SITC Section	1985	1986	1987
U.S. exports:			
0. Food and live animals-----	1,728,525	318,242	859,909
1. Beverages and tobacco-----	8,732	497	144
2. Crude materials--inedible, except fuel-----	90,180	328,102	56,514
3. Mineral fuels, lubricants, etc-----	54,538	56,312	54,131
4. Oils and fats--animal and vegetable-----	63,927	15,470	18,787
5. Chemicals-----	281,634	287,996	263,859
6. Manufactured goods classified by chief material-----	9,570	14,159	23,377
7. Machinery and transportation equipment-----	111,926	156,258	87,487
8. Miscellaneous manufactured articles-----	70,898	68,185	111,813
9. Commodities and transactions not elsewhere classified-----	2,017	1,610	1,378
Total-----	2,421,948	1,246,831	1,477,399
U.S. imports:			
0. Food and live animals-----	12,303	2,863	3,206
1. Beverages and tobacco-----	10,867	13,712	17,612
2. Crude materials--inedible, except fuel-----	15,124	35,167	47,050
3. Mineral fuels, lubricants, etc-----	99,995	71,722	96,197
4. Oils and fats--animal and vegetable-----	37	4	-
5. Chemicals-----	196,199	164,088	92,046
6. Manufactured goods classified by chief material-----	61,231	100,998	133,630
7. Machinery and transportation equipment-----	4,151	4,793	7,786
8. Miscellaneous manufactured articles-----	3,351	4,077	7,981
9. Commodities and transactions not elsewhere classified-----	3,661	157,498	2,695
Total-----	406,919	554,923	408,205

1/ Includes Estonia, Latvia, and Lithuania.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table A-4.--U.S. trade with Eastern Europe, 1/ by SITC Sections, 1985-1987

(In thousands of dollars)				
SITC Section	1985	1986	1987	
U.S. exports:				
0. Food and live animals-----	196,770	172,280	167,756	
1. Beverages and tobacco-----	14,853	14,014	18,831	
2. Crude materials--inedible, except fuel-----	147,554	129,128	154,527	
3. Mineral fuels, lubricants, etc-----	85,973	66,504	56,295	
4. Oils and fats--animal and vegetable-----	4,254	3,338	738	
5. Chemicals-----	88,055	97,347	80,186	
6. Manufactured goods classified by chief material-----	24,188	23,311	19,958	
7. Machinery and transportation equipment-----	133,207	141,812	147,825	
8. Miscellaneous manufactured articles-----	27,452	34,727	30,189	
9. Commodities and transactions not elsewhere classified-----	48,306	31,161	36,288	
Total-----	770,611	713,621	712,593	
U.S. imports:				
0. Food and live animals-----	180,865	214,451	253,860	
1. Beverages and tobacco-----	23,334	26,048	26,467	
2. Crude materials--inedible, except fuel-----	8,137	8,341	8,610	
3. Mineral fuels, lubricants, etc-----	437,523	393,397	381,525	
4. Oils and fats--animal and vegetable-----	44	378	42	
5. Chemicals-----	181,071	161,567	69,380	
6. Manufactured goods classified by chief material-----	293,800	245,461	301,493	
7. Machinery and transportation equipment-----	150,785	117,113	137,875	
8. Miscellaneous manufactured articles-----	228,856	246,302	300,216	
9. Commodities and transactions not elsewhere classified-----	9,778	12,083	10,585	
Total-----	1,514,193	1,425,142	1,490,054	

1/ Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, and Romania.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table A-5.--U.S. trade with Albania, by SITC Sections, 1985-1987

(In thousands of dollars)

SITC Section	1985	1986	1987
U.S. exports:			
0. Food and live animals-----	-	-	-
1. Beverages and tobacco-----	-	-	-
2. Crude materials--inedible, except fuel-----	-	-	-
3. Mineral fuels, lubricants, etc-----	11,458	4,424	3,320
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	4	-	-
6. Manufactured goods classified by chief material-----	-	-	-
7. Machinery and transportation equipment-----	423	75	24
8. Miscellaneous manufactured articles-----	15	6	-
9. Commodities and transactions not elsewhere classified-----	8	-	-
Total-----	11,908	4,506	3,344
U.S. imports:			
0. Food and live animals-----	9	154	118
1. Beverages and tobacco-----	7	-	11
2. Crude materials--inedible, except fuel-----	2,866	3,030	2,009
3. Mineral fuels, lubricants, etc-----	-	-	-
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	-	-	-
6. Manufactured goods classified by chief material-----	128	-	-
7. Machinery and transportation equipment-----	-	-	-
8. Miscellaneous manufactured articles-----	-	10	5
9. Commodities and transactions not elsewhere classified-----	-	-	6
Total-----	3,009	3,194	2,149

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table A-6.--U.S. trade with Bulgaria, by SITC Sections, 1985-1987

(In thousands of dollars)

SITC Section	1985	1986	1987
U.S. exports:			
0. Food and live animals-----	29,047	36,836	33,398
1. Beverages and tobacco-----	4,776	4,646	5,023
2. Crude materials--inedible, except fuel-----	17,700	11,292	9,658
3. Mineral fuels, lubricants, etc-----	24,843	17,623	-
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	9,076	10,593	9,247
6. Manufactured goods classified by chief material-----	824	2,951	1,555
7. Machinery and transportation equipment-----	12,176	7,428	24,584
8. Miscellaneous manufactured articles-----	4,568	4,291	4,570
9. Commodities and transactions not elsewhere classified-----	480	205	309
Total-----	103,489	95,865	88,344
U.S. imports:			
0. Food and live animals-----	2,610	2,564	1,838
1. Beverages and tobacco-----	17,836	19,447	21,732
2. Crude materials--inedible, except fuel-----	319	129	173
3. Mineral fuels, lubricants, etc-----	256	16,223	3,737
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	4,519	3,309	5,754
6. Manufactured goods classified by chief material-----	586	993	1,971
7. Machinery and transportation equipment-----	3,332	2,789	1,261
8. Miscellaneous manufactured articles-----	4,278	3,499	3,637
9. Commodities and transactions not elsewhere classified-----	302	730	203
Total-----	34,038	49,684	40,306

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table A-7.--U.S. trade with Cuba, by SITC Sections, 1985-1987

(In thousands of dollars)

SITC Section	1985	1986	1987
U.S. exports:			
0. Food and live animals-----	-	-	-
1. Beverages and tobacco-----	-	-	-
2. Crude materials--inedible, except fuel-----	12	-	3
3. Mineral fuels, lubricants, etc-----	-	-	-
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	656	1,013	865
6. Manufactured goods classified by chief material-----	1	-	2
7. Machinery and transportation equipment-----	-	-	-
8. Miscellaneous manufactured articles-----	24	124	51
9. Commodities and transactions not elsewhere classified-----	420	416	459
Total-----	1,113	1,553	1,379
U.S. imports:			
0. Food and live animals-----	-	-	-
1. Beverages and tobacco-----	-	-	-
2. Crude materials--inedible, except fuel-----	-	-	-
3. Mineral fuels, lubricants, etc-----	-	-	-
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	-	-	-
6. Manufactured goods classified by chief material-----	-	2	-
7. Machinery and transportation equipment-----	-	-	-
8. Miscellaneous manufactured articles-----	-	28	-
9. Commodities and transactions not elsewhere classified-----	-	-	-
Total-----	-	31	-

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

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Table A-8.--U.S. trade with Czechoslovakia, by SITC Sections, 1985-1987

(In thousands of dollars)

SITC Section	1985	1986	1987
U.S. exports:			
0. Food and live animals-----	616	429	379
1. Beverages and tobacco-----	1,794	1,178	2,808
2. Crude materials--inedible, except fuel-----	17,358	19,540	16,677
3. Mineral fuels, lubricants, etc-----	1	2	44
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	23,404	19,368	9,010
6. Manufactured goods classified by chief material-----	3,092	2,005	2,687
7. Machinery and transportation equipment-----	10,880	18,641	9,946
8. Miscellaneous manufactured articles-----	4,697	5,508	4,578
9. Commodities and transactions not elsewhere classified-----	782	864	814
Total-----	62,623	67,535	46,942
U.S. imports:			
0. Food and live animals-----	6,313	12,255	11,977
1. Beverages and tobacco-----	1,517	1,628	1,151
2. Crude materials--inedible, except fuel-----	210	1,251	856
3. Mineral fuels, lubricants, etc-----	-	2	-
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	1,216	1,948	2,363
6. Manufactured goods classified by chief material-----	30,054	33,981	27,908
7. Machinery and transportation equipment-----	10,870	10,647	8,488
8. Miscellaneous manufactured articles-----	22,607	21,306	22,714
9. Commodities and transactions not elsewhere classified-----	2,123	2,267	2,336
Total-----	74,909	85,284	77,793

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

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Table A-9.--U.S. trade with East Germany, by SITC Sections, 1985-1987

(In thousands of dollars)

SITC Section	1985	1986	1987
U.S. exports:			
0. Food and live animals-----	55,086	52,323	27,709
1. Beverages and tobacco-----	-	-	-
2. Crude materials--inedible, except fuel-----	5,415	5,634	4,628
3. Mineral fuels, lubricants, etc-----	3,436	-	13
4. Oils and fats--animal and vegetable-----	-	-	36
5. Chemicals-----	1,033	2,102	2,931
6. Manufactured goods classified by chief material-----	788	289	442
7. Machinery and transportation equipment-----	4,204	4,517	14,187
8. Miscellaneous manufactured articles-----	2,142	2,280	3,173
9. Commodities and transactions not elsewhere classified-----	150	479	576
Total-----	72,253	67,624	53,695
U.S. imports:			
0. Food and live animals-----	903	174	104
1. Beverages and tobacco-----	451	65	212
2. Crude materials--inedible, except fuel-----	1,190	713	564
3. Mineral fuels, lubricants, etc-----	1,740	1,139	997
4. Oils and fats--animal and vegetable-----	44	-	-
5. Chemicals-----	9,095	27,274	18,254
6. Manufactured goods classified by chief material-----	46,516	32,935	44,938
7. Machinery and transportation equipment-----	19,686	13,486	7,492
8. Miscellaneous manufactured articles-----	8,425	8,368	11,039
9. Commodities and transactions not elsewhere classified-----	2,241	1,111	854
Total-----	90,290	85,265	84,455

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

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Table A-10.--U.S. trade with Hungary, by SITC Sections, 1985-1987

(In thousands of dollars)

SITC Section	1985	1986	1987
U.S. exports:			
0. Food and live animals-----	29,669	21,623	16,102
1. Beverages and tobacco-----	2,296	2,387	3,753
2. Crude materials--inedible, except fuel-----	3,582	4,372	2,841
3. Mineral fuels, lubricants, etc-----	4	6	9
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	12,649	13,115	19,049
6. Manufactured goods classified by chief material-----	6,513	8,160	6,665
7. Machinery and transportation equipment-----	29,747	25,309	37,167
8. Miscellaneous manufactured articles-----	6,041	12,391	6,395
9. Commodities and transactions not elsewhere classified-----	1,594	853	2,125
Total-----	92,094	88,216	94,106
U.S. imports:			
0. Food and live animals-----	51,159	56,298	65,319
1. Beverages and tobacco-----	1,300	1,121	799
2. Crude materials--inedible, except fuel-----	3,192	2,721	2,144
3. Mineral fuels, lubricants, etc-----	447	415	571
4. Oils and fats--animal and vegetable-----	-	7	42
5. Chemicals-----	20,789	26,926	25,280
6. Manufactured goods classified by chief material-----	32,371	31,080	48,033
7. Machinery and transportation equipment-----	65,865	47,080	65,394
8. Miscellaneous manufactured articles-----	39,882	54,162	68,373
9. Commodities and transactions not elsewhere classified-----	1,612	4,127	1,692
Total-----	216,618	223,938	277,647

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

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Table A-11.--U.S. trade with North Korea, by SITC Sections, 1985-1987

(In thousands of dollars)

SITC Section	1985	1986	1987
U.S. exports:			
0. Food and live animals-----	-	-	-
1. Beverages and tobacco-----	-	-	-
2. Crude materials--inedible, except fuel-----	-	-	-
3. Mineral fuels, lubricants, etc-----	-	-	-
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	-	-	-
6. Manufactured goods classified by chief material-----	-	-	-
7. Machinery and transportation equipment-----	-	-	-
8. Miscellaneous manufactured articles-----	-	-	-
9. Commodities and transactions not elsewhere classified-----	-	-	-
Total-----	-	-	-
U.S. imports:			
0. Food and live animals-----	-	-	-
1. Beverages and tobacco-----	-	-	-
2. Crude materials--inedible, except fuel-----	-	-	-
3. Mineral fuels, lubricants, etc-----	-	-	-
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	-	-	-
6. Manufactured goods classified by chief material-----	14	-	-
7. Machinery and transportation equipment-----	-	-	-
8. Miscellaneous manufactured articles-----	16	2	-
9. Commodities and transactions not elsewhere classified-----	-	-	-
Total-----	30	2	-

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

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Table A-12.--U.S. trade with Mongolia, by SITC Sections, 1985-1987

(In thousands of dollars)

SITC Section	1985	1986	1987
U.S. exports:			
0. Food and live animals-----	-	-	-
1. Beverages and tobacco-----	-	-	-
2. Crude materials--inedible, except fuel-----	-	-	-
3. Mineral fuels, lubricants, etc-----	-	-	-
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	6	4	-
6. Manufactured goods classified by chief material-----	1	-	6
7. Machinery and transportation equipment-----	-	36	724
8. Miscellaneous manufactured articles-----	21	28	32
9. Commodities and transactions not elsewhere classified-----	4	9	107
Total-----	32	77	869
U.S. imports:			
0. Food and live animals-----	352	35	245
1. Beverages and tobacco-----	-	8	157
2. Crude materials--inedible, except fuel-----	2,752	1,006	985
3. Mineral fuels, lubricants, etc-----	-	-	-
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	-	-	-
6. Manufactured goods classified by chief material-----	-	17	30
7. Machinery and transportation equipment-----	-	-	-
8. Miscellaneous manufactured articles-----	7	15	5
9. Commodities and transactions not elsewhere classified-----	-	-	9
Total-----	3,111	1,081	1,431

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

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Table A-13.--U.S. trade with Poland, by SITC Sections, 1985-1987

(In thousands of dollars)

SITC Section	1985	1986	1987
U.S. exports:			
0. Food and live animals-----	65,993	20,278	86,182
1. Beverages and tobacco-----	4,779	5,429	6,948
2. Crude materials--inedible, except fuel-----	32,740	12,686	20,121
3. Mineral fuels, lubricants, etc-----	3,822	1,493	9,057
4. Oils and fats--animal and vegetable-----	4,254	2,610	701
5. Chemicals-----	30,439	29,483	29,238
6. Manufactured goods classified by chief material-----	9,494	7,525	7,219
7. Machinery and transportation equipment-----	31,384	30,235	38,423
8. Miscellaneous manufactured articles-----	6,089	7,115	7,788
9. Commodities and transactions not elsewhere classified-----	44,708	28,302	31,721
Total-----	233,702	145,155	237,399
U.S. imports:			
0. Food and live animals-----	113,648	134,224	157,749
1. Beverages and tobacco-----	865	2,343	959
2. Crude materials--inedible, except fuel-----	478	508	959
3. Mineral fuels, lubricants, etc-----	-	-	-
4. Oils and fats--animal and vegetable-----	-	372	-
5. Chemicals-----	4,246	6,966	11,019
6. Manufactured goods classified by chief material-----	45,337	34,731	60,231
7. Machinery and transportation equipment-----	20,610	20,480	22,376
8. Miscellaneous manufactured articles-----	30,396	29,138	38,442
9. Commodities and transactions not elsewhere classified-----	1,457	2,192	3,748
Total-----	217,037	230,953	295,484

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table A-14.--U.S. trade with Romania, by SITC Sections, 1985-1987

(In thousands of dollars)

SITC Section	1985	1986	1987
U.S. exports:			
0. Food and live animals-----	16,359	40,790	3,985
1. Beverages and tobacco-----	1,208	373	299
2. Crude materials--inedible, except fuel-----	70,760	75,605	100,603
3. Mineral fuels, lubricants, etc-----	53,866	47,379	47,173
4. Oils and fats--animal and vegetable-----	-	729	-
5. Chemicals-----	11,455	22,686	10,711
6. Manufactured goods classified by chief material-----	3,478	2,381	1,389
7. Machinery and transportation equipment-----	44,817	55,683	23,520
8. Miscellaneous manufactured articles-----	3,915	3,141	3,685
9. Commodities and transactions not elsewhere classified-----	593	458	742
Total-----	206,451	249,226	192,107
U.S. imports:			
0. Food and live animals-----	6,233	8,935	16,872
1. Beverages and tobacco-----	1,365	1,445	1,614
2. Crude materials--inedible, except fuel-----	2,749	3,018	3,913
3. Mineral fuels, lubricants, etc-----	435,079	375,618	376,220
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	141,206	95,145	6,710
6. Manufactured goods classified by chief material-----	138,935	111,741	118,413
7. Machinery and transportation equipment-----	30,422	22,632	32,864
8. Miscellaneous manufactured articles-----	123,268	129,830	156,010
9. Commodities and transactions not elsewhere classified-----	2,043	1,656	1,752
Total-----	881,301	750,018	714,368

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table A-15.--U.S. trade with Vietnam, by SITC Sections, 1985-1987

(In thousands of dollars)

SITC Section	1985	1986	1987
U.S. exports:			
0. Food and live animals-----	-	176	-
1. Beverages and tobacco-----	-	-	-
2. Crude materials--inedible, except fuel-----	-	236	-
3. Mineral fuels, lubricants, etc-----	-	-	-
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	-	176	31
6. Manufactured goods classified by chief material-----	-	269	9
7. Machinery and transportation equipment-----	202	11	30
8. Miscellaneous manufactured articles-----	57	396	12
9. Commodities and transactions not elsewhere classified-----	19,616	28,722	23,339
Total-----	19,875	29,986	23,422
U.S. imports:			
0. Food and live animals-----	-	-	-
1. Beverages and tobacco-----	-	-	-
2. Crude materials--inedible, except fuel-----	-	-	-
3. Mineral fuels, lubricants, etc-----	-	-	-
4. Oils and fats--animal and vegetable-----	-	-	-
5. Chemicals-----	-	-	-
6. Manufactured goods classified by chief material-----	-	31	-
7. Machinery and transportation equipment-----	-	-	-
8. Miscellaneous manufactured articles-----	12	170	-
9. Commodities and transactions not elsewhere classified-----	13	-	-
Total-----	25	201	-

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

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APPENDIX B

LEADING ITEMS TRADED WITH THE NONMARKET ECONOMY COUNTRIES,
1986, 1987, AND OCTOBER - DECEMBER 1987

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Table B-1.--Leading items exported to nonmarket economy countries (NME's), 1/ by Schedule B Nos., 1986, 1987, and October-December 1987

Schedule B No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
130.6540	Wheat, unmilled, not donated for relief or charity-----	\$13,548	\$595,555	\$167,017
480.1000	Fertilizers and fertilizer materials-----	404,668	539,764	172,757
130.3465	Yellow corn, not donated for relief or charity-----	354,941	529,124	138,073
694.4062	Nonmilitary passenger transport airplanes, new, multiple engine, over 33,000 pounds empty weight-----	148,554	328,187	83,752
175.4100	Soybeans, other than seed for planting-----	395,368	219,547	71,418
444.1700	Polypropylene resins, excluding amorphous or atactic polymers and copolymers-----	81,691	126,520	61,654
200.3510	Douglas-fir logs and timber, rough-----	111,647	113,983	31,007
694.6507	Parts designed for use in civil aircraft, n.e.s-----	94,276	112,439	34,866
252.7810	Unbleached kraft linerboard-----	48,540	94,170	16,201
184.5260	Soybean oil cake and oil-cake meal-----	50,819	89,222	73,315
404.2280	Polycarboxylic acids, anhydrides, and their derivatives, n.s.p.f.	45,308	84,890	25,356
676.2700	Digital data processing machines comprising in one housing the central processing unit and input and output capability-----	97,016	73,707	20,710
678.5090	Other machines n.s.p.f., and parts thereof-----	94	64,464	34,884
790.5510	Pressure-sensitive tape having a plastic backing-----	603	56,437	7,271
711.8750	Electrical (including electronic) physical analysis equipment, n.s.p.f., and parts thereof-----	26,000	54,386	21,570
660.3040	Parts, n.s.p.f., of steam turbines-----	50,567	53,922	26,160
818.3900	Products, n.e.s., donated for relief or charity-----	54,160	53,181	14,212
521.3110	Low volatile bituminous coal-----	51,047	50,463	14,553
664.0584	Parts, n.e.s., of oil and gas field drilling machines-----	119,368	46,144	10,109
200.3514	Western hemlock logs and timber, rough-----	60,829	41,740	7,192
	Total-----	2,338,465	3,327,844	1,032,077
	Total, U.S. exports to NME's-----	5,072,596	5,678,602	1,731,221

1/ Albania, Bulgaria, China, Cuba, Czechoslovakia, East Germany, Hungary, Mongolia, North Korea, Poland, Romania, the U.S.S.R. (including Estonia, Latvia, and Lithuania), and Vietnam.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table B-2.--Leading items imported from nonmarket economy countries (NME's), 1/ by TSUSA items, 1986, 1987, and October-December 1987

TSUSA item No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
475.1010	Crude petroleum, testing 25 degrees A.P.I. or more-----	\$464,724	\$355,808	\$70,201
475.2528	Unleaded gasoline-----	118,665	345,193	85,646
107.3525	Canned hams and shoulders, 3 pounds and over-----	151,289	167,468	44,965
384.5316	Women's, girls', or infants' knit sweaters, of vegetable fibers except cotton, assembled in Hong Kong from components-----	2/ 17,942	146,759	35,173
389.6100	Artificial flowers, of silk, not ornamented-----	69,212	123,561	31,277
653.2210	Gold coins-----	86,207	109,868	27,453
737.3000	Toys, not having a spring mechanism, stuffed, valued over 10 cents per inch of height-----	67,422	109,100	32,714
475.2524	Leaded gasoline-----	99,336	90,879	31,288
737.2425	Dolls, with or without clothing, not stuffed, 13 inches and under in height-----	59,912	85,730	22,106
384.5317	Women's, girls', or infants' knit sweaters, of vegetable fibers except cotton, not assembled in Hong Kong from components-----	2/ 77,870	83,305	11,238
475.1015	Light fuel oils, testing 25 degrees A.P.I. or more, Saybolt Universal viscosity at 100 degrees F of less than 45 seconds--	13,165	79,104	42,338
360.1200	Floor coverings with pile hand-inserted or hand-knotted, valued over 66-2/3 cents per square foot of wool-----	79,178	76,473	20,856
114.4545	Shrimp, shell on-----	48,457	73,383	15,241
737.4000	Toys not having a spring mechanism, not stuffed, not wholly or almost wholly of metal-----	22,645	60,297	22,981
320.2927	Printcloth, wholly of cotton, not fancy or figured, not napped and not of yarns of different colors, of number 29-----	65,420	55,954	6,773
706.0700	Handbags of leather valued not over \$20 each-----	30,443	55,857	19,000
737.3500	Toy figures of animate objects (except dolls), without a spring mechanism, not stuffed, wholly or almost wholly of metal-----	28,705	55,819	10,544
384.5697	Women's, girls', or infants' trousers, slacks, and shorts n.s.p.f., of vegetable fibers except cotton, not knit-----	26,982	52,997	11,549
622.0200	Tin, other than alloyed, unwrought-----	19,681	52,152	12,950
734.2040	Game machines, n.s.p.f-----	14,064	50,906	20,045
	Total-----	1,561,319	2,230,615	574,339
	Total, U.S. imports from NME's-----	6,656,044	8,145,716	2,022,691

1/ Albania, Bulgaria, China, Cuba, Czechoslovakia, East Germany, Hungary, Mongolia, North Korea, Poland, Romania, the U.S.S.R. (including Estonia, Latvia, and Lithuania), and Vietnam.

2/ TSUSA items 384.5316 and 384.5317 were created on Aug. 1, 1986, from former TSUSA item 384.5315. While presented 1986 figures reflect imports under these separate items during August-December 1986 only, imports under item 384.5315 totaled \$42.7 million during January-July 1986.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table B-3.--Leading items exported to China, by Schedule B Nos., 1986, 1987, and October-December 1987

Schedule B No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
694.4062	Nonmilitary passenger transport airplanes, new, multiple engine, over 33,000 pounds empty weight-----	\$148,554	\$328,187	\$83,752
480.1000	Fertilizers and fertilizer materials-----	96,138	270,004	96,992
130.6540	Wheat, unmilled, not donated for relief or charity-----	6,412	139,202	74,459
444.1700	Polypropylene resins, excluding amorphous or atactic polymers and copolymers-----	81,691	126,518	61,654
200.3510	Douglas-fir logs and timber, rough-----	111,647	113,983	31,007
694.6507	Parts designed for use in civil aircraft, n.e.s-----	93,433	111,723	34,793
130.3465	Yellow corn, not donated for relief or charity-----	4,241	94,926	17,602
252.7810	Unbleached kraft linerboard-----	48,540	94,170	16,201
175.4100	Soybeans, other than seed for planting-----	19,374	85,895	35,859
404.2280	Polycarboxylic acids, anhydrides, and their derivatives, n.s.p.f.	45,308	84,890	25,356
676.2700	Digital data processing machines comprising in one housing the central processing unit and input and output capability-----	96,718	72,321	20,318
678.5090	Other machines n.s.p.f., and parts thereof-----	62,890	55,248	28,122
664.0584	Parts, n.e.s., of oil and gas field drilling machines-----	104,953	42,755	9,601
200.3514	Western hemlock logs and timber, rough-----	60,829	41,740	7,192
309.3270	Grouped filaments and strips (in continuous form), n.e.s-----	39,436	39,416	8,930
660.3040	Parts, n.s.p.f., of steam turbines-----	4,167	37,722	26,074
676.5560	Parts of automatic data processing machines and units thereof, n.s.p.f-----	47,139	33,243	10,141
444.1620	Polyethylene resins, high density-----	21,089	31,158	16,796
694.4065	Nonmilitary cargo transport airplanes, new, multiple engine, over 33,000 pounds empty weight-----	-	30,190	30,190
420.8400	Sodium carbonate, calcined (soda ash)-----	20,851	28,080	-
	Total-----	1,113,410	1,861,371	635,038
	Total, U.S. exports to China-----	3,076,023	3,459,595	1,110,120

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table B-4.--Leading items imported from China, by TSUSA items, 1986, 1987, and October-December 1987

TSUSA item No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
475.1010	Crude petroleum, testing 25 degrees A.P.I. or more-----	\$464,724	\$355,808	\$70,201
384.5316	Women's, girls', or infants' knit sweaters, of vegetable fibers except cotton, assembled in Hong Kong from components-----	1/ 17,942	146,759	35,173
389.6100	Artificial flowers, of silk, not ornamented-----	69,212	123,561	31,277
737.3000	Toys, not having a spring mechanism, stuffed, valued over 10 cents per inch of height-----	67,344	108,924	32,659
653.2210	Gold coins-----	85,383	108,888	26,561
475.2524	Leaded gasoline-----	99,336	85,708	31,288
737.2425	Dolls, with or without clothing, not stuffed, 13 inches and under in height-----	59,665	84,662	21,961
384.5317	Women's, girls', or infants' knit sweaters, of vegetable fibers except cotton, not assembled in Hong Kong from components-----	1/ 77,870	83,297	11,238
114.4545	Shrimp, shell on-----	48,183	73,383	15,241
360.1200	Floor coverings with pile hand-inserted or hand-knotted, valued over 66-2/3 cents per square foot of wool-----	68,647	68,951	19,025
737.4000	Toys not having a spring mechanism, not stuffed, not wholly or almost wholly of metal-----	22,570	60,251	22,963
706.0700	Handbags of leather valued not over \$20 each-----	30,363	55,822	18,992
737.3500	Toy figures of animate objects (except dolls), without a spring mechanism, not stuffed, wholly or almost wholly of metal-----	28,705	55,801	10,544
320.2927	Printcloth, wholly of cotton, not fancy or figured, not napped and not of yarns of different colors, of number 29-----	65,389	55,003	6,651
622.0200	Tin, other than alloyed, unwrought-----	19,681	52,152	12,950
384.5697	Women's, girls', or infants' trousers, slacks, and shorts n.s.p.f., of vegetable fibers except cotton, not knit-----	26,514	51,184	10,689
734.2040	Game machines, n.s.p.f-----	14,064	50,906	20,045
706.4135	Luggage n.s.p.f. of man-made textile fibers-----	16,370	47,618	2,315
755.1500	Fireworks-----	43,155	45,771	11,822
381.6240	Men's cotton trousers and slacks n.s.p.f., not ornamented, not knit-----	33,536	43,519	2,933
	Total-----	1,358,652	1,757,970	414,528
	Total, U.S. imports from China-----	4,671,469	6,243,877	1,517,566

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1/ TSUSA items 384.5316 and 384.5317 were created on Aug. 1, 1986, from former TSUSA item 384.5315. While presented 1986 figures reflect imports under these separate items during August-December 1986 only, imports under item 384.5315 totaled \$42.7 million during January-July 1986.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

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Table B-5.--Leading items exported to the U.S.S.R., 1/ by Schedule B Nos., 1986, 1987, and October-December 1987

Schedule B No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
130.6540	Wheat, unmilled, not donated for relief or charity-----	-	\$389,148	\$64,037
130.3465	Yellow corn, not donated for relief or charity-----	280,589	381,460	102,761
480.1000	Fertilizers and fertilizer materials-----	261,478	228,634	63,565
184.5260	Soybean oil cake and oil-cake meal-----	-	57,547	57,547
790.5510	Pressure-sensitive tape having a plastic backing-----	54,290	55,959	7,177
175.4100	Soybeans, other than seed for planting-----	312,981	42,705	30,707
711.8750	Electrical (including electronic) physical analysis equipment, n.s.p.f., and parts thereof-----	4,442	39,040	16,370
145.4300	Shelled almonds, not blanched-----	37,611	27,360	7,280
177.5640	Tallow, inedible-----	15,468	18,787	2,518
475.4555	Insulating or transformer oils-----	18,462	16,055	5,091
517.5120	Petroleum coke, calcined-----	13,898	13,637	1,470
790.5570	Pressure sensitive tape having a rubberized textile backing, except surgical or medicated tape and tape of unwoven fiber---	3,795	8,516	1,491
422.3009	Titanium compounds, except pigment-grade-----	-	7,885	1,413
517.6100	Electrodes, in part of carbon or graphite, for electric furnace or electrolytic purposes-----	9,282	7,777	458
774.5025	Articles n.s.p.f., of rubber or plastics-----	2,293	6,889	-
250.0225	Wood pulp, sulphite, bleached, n.e.s-----	1,451	6,462	-
475.4520	Automotive, diesel, and marine engine lubricating oil-----	14,562	6,290	-
660.5460	Parts of industrial gas turbines-----	2,594	5,781	3,586
475.4510	Aviation engine lubricating oil, except jet engine lubricating oil-----	3,252	5,743	-
475.4580	Lubricating oils, n.s.p.f., except white mineral oils-----	5,106	5,521	190
	Total-----	1,041,555	1,331,197	365,660
	Total, U.S. exports to the U.S.S.R-----	1,246,831	1,477,399	418,229

1/ Includes Estonia, Latvia, and Lithuania.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table B-6.--Leading items imported from the U.S.S.R., 1/ by TSUSA items, 1986, 1987, and October-December 1987

TSUSA item No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
475.1015	Light fuel oils, testing 25 degrees A.P.I. or more, Saybolt			
	Universal viscosity at 100 degrees F of less than 45 seconds---	-	\$52,743	\$34,004
605.0270	Rhodium-----	29,226	48,709	19,189
480.6540	Anhydrous ammonia-----	79,641	48,634	13,372
605.0260	Palladium-----	23,254	29,496	7,949
618.1000	Aluminum waste and scrap-----	18,571	24,364	4,734
124.1045	Sable furskins, whole, undressed-----	13,307	19,238	3,978
475.0535	Crude petroleum, testing under 25 degrees A.P.I. (heavy fuel			
	oils)-----	66,100	18,949	24
605.0750	Semimanufactured palladium, not gold-plated or silver-plated---	6,995	11,458	3,407
422.5220	Uranium compounds, fluorides-----	-	11,057	-
475.1035	Heavy fuel oils, testing 25 degrees A.P.I. or more, Saybolt			
	Universal viscosity at 100 degrees F of more than 125 seconds---	-	9,673	9,046
169.3700	Vodka, not over 1 gallon, valued not over \$7.75 per gallon-----	8,271	9,506	3,300
606.3546	Ferrosilicon, containing 30 to 60 percent by weight of silicon,			
	not containing over 2 percent by weight of magnesium-----	1,993	9,137	3,962
480.5000	Potassium chloride, crude-----	1,457	8,781	4,990
475.3500	Naphthas derived from petroleum, shale oil, natural gas, or			
	combinations thereof (except motor fuel)-----	-	8,062	-
401.7420	Para-xylene-----	2,625	7,671	-
169.3800	Vodka, in containers holding not over 1 gallon, valued over			
	\$7.75 per gallon-----	4,567	7,136	2,611
605.0220	Platinum sponge, unwrought-----	7,833	6,533	2,819
320.1934	Woven fabrics, of number 19, not fancy or figured, not napped,			
	of yarns of different colors, made of singles yarn-----	45	5,665	733
475.2524	Leaded gasoline-----	-	5,171	-
401.7415	Ortho-xylene-----	11,628	4,956	-
	Total-----	275,513	346,940	114,116
	Total, U.S. imports from the U.S.S.R-----	554,923	408,205	131,141

1/ Includes Estonia, Latvia, and Lithuania.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table B-7.--Leading items exported to Eastern Europe, 1/ by Schedule B Nos., 1986, 1987, and October-December 1987

Schedule B No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
175.4100	Soybeans, other than seed for planting-----	\$63,013	\$90,947	\$4,852
130.6540	Wheat, unmilled, not donated for relief or charity-----	7,136	67,205	28,521
130.3465	Yellow corn, not donated for relief or charity-----	70,111	52,738	17,710
521.3110	Low volatile bituminous coal-----	46,622	47,143	13,550
480.1000	Fertilizers and fertilizer materials-----	47,052	41,125	12,200
184.5260	Soybean oil cake and oil-cake meal-----	50,819	30,852	14,945
120.1400	Cattle hides, whole-----	51,896	29,117	6,981
818.3900	Products, n.e.s., donated for relief or charity-----	24,482	28,994	7,746
660.3040	Parts, n.s.p.f., of steam turbines-----	45,798	15,531	86
300.1060	Cotton, not carded, not combed, staple length 1 to 1-1/8 inches-----	-	9,680	7,241
818.3300	Medicinal and pharmaceutical products donated for relief or charity-----	2,856	7,721	4,885
170.8140	Smoking tobacco, in bulk-----	2,952	7,470	2,041
664.0588	Parts, n.e.s., of excavating machinery, n.e.s-----	7,625	6,898	1,376
130.4040	Grain sorghum, other than seed for planting purposes-----	-	6,339	1,848
678.5065	Machines n.s.p.f. for production and assembly of semiconductor devices, diodes, transistors, and circuits, and parts-----	5,362	6,301	1,390
692.3840	Parts of tractors, other than tracklaying tractors-----	4,543	5,428	1,157
475.0760	Heavy fuel oils, having a Saybolt Universal viscosity at 100 degrees Fahrenheit of more than 125 seconds-----	8,218	5,360	-
676.5560	Parts of automatic data processing machines and units thereof, n.s.p.f-----	4,876	5,220	1,057
170.6500	Cigarettes-----	3,653	5,147	909
692.3150	Tracklaying tractors, new, with a net engine horsepower rating of at least 260 horsepower, but less than 345 horsepower-----	1,179	4,999	172
	Total-----	448,193	474,215	128,668
	Total, U.S. exports to Eastern Europe-----	713,621	712,593	195,127

1/ Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, and Romania.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table B-8.--Leading items imported from Eastern Europe, 1/ by TSUSA items, 1986, 1987, and October-December 1987

TSUSA item No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
475.2528	Unleaded gasoline-----	\$92,378	\$325,850	\$82,727
107.3525	Canned hams and shoulders, 3 pounds and over-----	151,289	167,468	44,965
692.3295	Parts of motor vehicles, n.s.p.f-----	17,513	33,012	8,299
475.1015	Light fuel oils, testing 25 degrees A.P.I. or more, Saybolt Universal viscosity at 100 degrees F of less than 45 seconds--	13,165	26,361	8,335
607.6625	Plates of iron or steel, not pickled and not cold rolled, other than alloy iron or steel, over 6 inches in thickness-----	21,876	26,171	5,217
110.4740	Pollock blocks, frozen, over 10 pounds-----	10,118	25,481	636
618.0200	Aluminum, other than alloys of aluminum-----	23,376	24,375	-
170.2800	Cigarette leaf tobacco, not stemmed, leaf, oriental or Turkish type, not over 8.5 inches in length-----	17,803	19,970	4,566
618.2563	Aluminum sheets and strip, not clad, n.s.p.f-----	12,979	17,167	2,841
412.0200	Autonomic drugs n.s.p.f., provided for in the Chemical Appendix to the Tariff Schedules-----	9,468	15,605	3,746
700.4544	Leather cement footwear n.s.p.f., for women, over \$2.50 per pair	13,114	15,529	3,341
686.9030	Lamps n.e.s., including standard household-----	21,615	15,444	5,214
165.1500	Apple and pear juice, not containing over 1 percent alcohol-----	7,617	14,609	4,472
727.3555	Wall systems, bookcases, shelf units, credenzas, buffets servers china closet-----	7,924	14,112	5,029
475.0535	Crude petroleum, testing under 25 degrees A.P.I. (heavy fuel oils)-----	15,675	13,427	-
480.6550	Nitrogen solutions n.s.p.f. used for fertilizers-----	11,945	12,018	2,292
192.2920	Hops, not in pellets-----	2/ 9,852	2/ 10,858	2/ 5
607.8390	Sheets n.s.p.f. of iron or steel, pickled or cold rolled-----	3/	10,321	1,810
335.9500	Woven fabrics, n.s.p.f., of vegetable fibers, n.e.s., weighing over 4 ounces per square yard-----	8,881	9,585	2,841
475.6530	Mixtures of hydrocarbons n.s.p.f. in liquid form, other than condensate derived wholly from natural gas-----	200,856	9,079	6,950
	Total-----	677,464	806,442	193,286
	Total, U.S. imports from Eastern Europe-----	1,425,142	1,490,054	372,870

1/ Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, and Romania.

2/ TSUSA item 192.2920 was created on July 1, 1987, from former TSUSA item 192.2520. The figure reported for 1986 represents imports under item 192.2520, while 1987 figures reflect combined imports under the two items.

3/ TSUSA item 607.8390, along with six other TSUSA items, was created on Jan. 1, 1987, from former TSUSA item 607.8360.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table B-9.--Leading items exported to Albania, by Schedule B Nos., 1986, 1987, and October-December 1987

Schedule B No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
521.3110	Low volatile bituminous coal-----	\$4,424	\$3,320	\$1,003
685.2765	Radio equipment and parts, n.s.p.f-----	-	17	-
661.7620	Centrifuges-----	-	7	-
	Total-----	4,424	3,344	1,003
	Total, U.S. exports to Albania-----	4,506	3,344	1,003

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

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Table B-10.--Leading items imported from Albania, by TSUSA items, 1986, 1987, and October-December 1987

TSUSA item No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
161.9400	Sage, unground-----	\$3,010	\$1,967	\$576
161.4900	Mace, other than bombay or wild, ground-----	-	118	-
192.2400	Fresh cut flowers n.s.p.f., and bouquets, wreaths, sprays, or similar articles made from such flowers or other plant parts--	1/ 10	1/ 38	1/ 29
167.0515	Ale, porter, stout, and beer, glass containers, not over 1 gallon-----	-	11	-
999.9500	Formal and informal entries, \$250 and under, estimated-----	-	6	1
274.7040	Photographs, engravings, etc., n.s.p.f., printed not over 20 years at time of importation, other than lithographs on paper--	-	5	-
162.0100	Savory, crude or not manufactured-----	-	3	-
	Total-----	3,020	2,149	606
	Total, U.S. imports from Albania-----	3,194	2,149	606

1/ TSUSA item 192.2400 was created on July 1, 1987, from former TSUSA item 192.2192. The figure reported for 1986 represents imports under item 192.2192, while 1987 figures reflect combined imports under the two items.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table B-11.--Leading items exported to Bulgaria, by Schedule B Nos., 1986, 1987, and October-December 1987

Schedule B No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
130.3465	Yellow corn, not donated for relief or charity-----	\$22,295	\$33,265	\$13,794
175.4100	Soybeans, other than seed for planting-----	9,708	9,118	4,852
664.1074	Pipehandlers, n.s.p.f-----	-	3,654	-
170.3320	Flue-cured cigarette leaf filler tobacco, stemmed-----	2,827	3,440	1,293
480.1000	Fertilizers and fertilizer materials-----	4,681	3,312	-
486.1900	Herbicides, unmixed, n.s.p.f-----	-	3,040	1,493
678.5065	Machines n.s.p.f. for production and assembly of semiconductor : devices, diodes, transistors, and circuits, and parts-----	1,382	2,513	17
724.4575	Magnetic recording discs suitable for use with computers, : prepared but not recorded-----	904	2,330	-
674.9002	Parts, for appliances, other-----	-	2,196	-
678.5090	Other machines n.s.p.f., and parts thereof-----	529	2,058	1,746
661.1255	Stationary air compressors n.s.p.f., over 100 horsepower-----	-	1,844	296
486.6900	Agricultural insecticide preparations, n.s.p.f-----	2,168	1,462	-
674.3241	Combination boring, drilling, and milling machines for working : metal, used or rebuilt-----	-	1,261	924
674.3578	Bending, folding, straightening and flattening machines, valued : at least \$2,500 each, new, with numerical controls or facings--	-	1,177	-
170.8140	Smoking tobacco, in bulk-----	675	1,099	-
678.5055	Metal-treating machines and parts thereof, n.s.p.f-----	-	927	-
661.1251	Stationary air compressors n.s.p.f., 15 horsepower and under----	-	800	800
676.5560	Parts of automatic data processing machines and units thereof, : n.s.p.f-----	81	699	82
486.8900	Herbicide preparations, n.e.s-----	635	665	665
674.3584	Bending, folding, straightening, and flattening machines : n.s.p.f. for forming metal, new, valued at least \$2,500 each--	-	603	603
	Total-----	45,885	75,463	26,564
	Total, U.S. exports to Bulgaria-----	95,865	88,344	30,272

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table B-12.--Leading items imported from Bulgaria, by TSUSA items, 1986, 1987, and October-December 1987

TSUSA item No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
170.2800	Cigarette leaf tobacco, not stemmed, leaf, oriental or Turkish type, not over 8.5 inches in length-----	\$17,803	\$19,970	\$4,566
475.1015	Light fuel oils, testing 25 degrees A.P.I. or more, Saybolt Universal viscosity at 100 degrees F of less than 45 seconds--	-	3,737	-
480.6550	Nitrogen solutions n.s.p.f. used for fertilizers-----	-	2,685	868
117.6700	Pecorino cheeses, in original loaves, not suitable for grating--	2,061	1,593	374
480.6510	Ammonium nitrate-----	922	1,409	-
437.3000	Antibiotics, natural and not artificially mixed-----	1,368	878	348
676.0560	Typewriters, nonelectric, nonautomatic, other than portable----	1,044	740	51
322.1934	Cotton sheeting n.s.p.f. of number 19, made of singles yarns, colored, whether or not bleached, not fancy or figured-----	-	706	591
384.6530	Women's, girls', or infants' wool coats n.s.p.f., valued not over \$4 per pound, not ornamented, not knit-----	770	705	149
167.3045	Still wine produced from grapes, not over 14 percent alcohol, in one gallon containers, valued over \$4 per gallon, white----	315	585	169
167.3030	Red wine over 14 percent alcohol valued over \$4 per gallon, in containers not over 1 gallon-----	213	547	148
384.8073	Women's or girls' knit sweaters, of man-made fibers, not ornamented-----	566	497	-
384.2806	Women's cotton knit tank tops-----	176	388	115
167.3005	Red wine not over 14 percent alcohol, valued not over \$4 per gallon, in containers not over 1 gallon-----	572	308	57
384.7220	Women's, girls', or infants' wool coats n.s.p.f., valued over \$4 per pound, not knit, not ornamented-----	456	276	127
167.3015	White wine not over 14 percent alcohol, valued not over \$4 per gallon, in containers not over 1 gallon-----	508	260	65
676.0530	Typewriters, nonelectric, nonautomatic, portable-----	-	253	70
320.1934	Woven fabrics, of number 19, not fancy or figured, not napped, of yarns of different colors, made of singles yarn-----	-	244	43
452.6000	Rose oil or attar of roses-----	91	243	69
461.3500	Perfumes, colognes and toilet waters containing alcohol-----	288	212	-
	Total-----	27,092	36,234	7,812
	Total, U.S. imports from Bulgaria-----	49,684	40,306	9,138

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table B-13.--Leading items exported to Cuba, by Schedule B Nos., 1986, 1987, and October-December 1987

Schedule B No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
818.3300	Medicinal and pharmaceutical products donated for relief or charity-----	\$1,013	\$865	\$249
818.3900	Products, n.e.s., donated for relief or charity-----	286	345	100
818.9000	General merchandise, valued not over \$1,000, estimated-----	130	114	23
818.3400	Wearing apparel donated for relief or charity-----	67	48	15
378.0300	Men's and boys' underwear, knit, n.s.p.f-----	4	4	-
818.4000	Used wearing apparel and other used articles, of textile materials, exported in bulk-----	-	3	-
386.1190	Textile articles, n.s.p.f-----	-	2	-
	Total-----	1,500	1,379	387
	Total, U.S. exports to Cuba-----	1,553	1,379	387

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table B-14.--Leading items imported from Cuba, by TSUSA items, 1986, 1987, and October-December 1987

TSUSA item No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
700.2946	Leather work footwear n.s.p.f., welt, valued over \$6.80 per pair:	\$28	-	-
338.5983	Sheeting n.s.p.f., of man-made fibers, weighing more than 5 ounces per square yard, wholly of spun yarns-----	2	-	-
	Total-----	31	-	-
	Total, U.S. imports from Cuba-----	31	-	-

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table B-15.--Leading items exported to Czechoslovakia, by Schedule B Nos., 1986, 1987, and October-December 1987

Schedule B No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
120.1400	Cattle hides, whole-----	\$18,963	\$14,064	\$3,934
480.1000	Fertilizers and fertilizer materials-----	15,908	5,830	-
170.8140	Smoking tobacco, in bulk-----	-	1,795	606
676.2820	Digital central processing units consisting of arithmetical, logical and control elements-----	37	1,378	-
661.1263	Centrifugal and axial gas compressors, n.s.p.f-----	-	1,349	1,349
670.5000	Fabric folding, reeling, or cutting machines-----	404	1,050	400
170.4300	Leaf tobacco, n.e.s-----	1,140	988	-
722.9540	Equipment specially designed for photofinishing (still pictures), other than microfilm and microfiche equipment-----	1,268	830	830
711.8062	Display instruments, etc., which operate on electronic signals--	-	816	28
416.5500	Inorganic acids, n.s.p.f-----	110	793	-
124.1527	Muskrat furskins, whole, not dressed-----	243	772	-
207.0035	Wooden pencil slats-----	730	685	49
540.4200	Glass rods, tubes, and tubing-----	290	658	208
309.0120	Nylon monofilaments (in continuous form)-----	-	590	590
692.3150	Tracklaying tractors, new, with a net engine horsepower rating of at least 260 horsepower, but less than 345 horsepower-----	1,179	583	172
523.8300	Mineral substances, crude, n.s.p.f-----	-	568	568
711.8710	Electrical (including electronic) chemical analysis equipment, and parts thereof-----	187	474	126
818.9000	General merchandise, valued not over \$1,000, estimated-----	390	422	90
765.0300	Paintings, pastels, drawings, and sketches, whether or not originals, executed wholly by hand-----	-	400	-
712.1520	Instruments and apparatus for measuring or detecting alpha, beta, gamma, X-ray, cosmic or similar radiations-----	143	354	221
	Total-----	40,991	34,398	9,173
	Total, U.S. exports to Czechoslovakia-----	67,535	46,942	13,515

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table B-16.--Leading items imported from Czechoslovakia, by TSUSA items, 1986, 1987, and October-December 1987

TSUSA item No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>1,000 dollars</u>
192.2920	Hops, not in pellets-----	1/ \$8,707	1/ \$8,471	1/ 5
692.3415	Riding tractors suitable for agricultural use, wheel type-----	3,483	3,573	739
700.2946	Leather work footwear n.s.p.f., welt, valued over \$6.80 per pair:	3,172	2,733	795
107.3525	Canned hams and shoulders, 3 pounds and over-----	2,446	2,684	779
700.3522	Leather athletic footwear n.s.p.f., for men, youths, and boys---	1,278	2,527	1,288
607.6625	Plates of iron or steel, not pickled and not cold rolled, other :			
	than alloy iron or steel, over 6 inches in thickness-----	2,376	2,140	-
741.3500	Imitation gemstones, except imitation gemstone beads-----	1,965	2,112	762
546.6020	Glass tumblers, goblets, and other stemware n.s.p.f., valued :			
	over \$0.30 but not over \$3 each-----	1,185	2,105	483
437.3000	Antibiotics, natural and not artificially mixed-----	1,740	2,031	469
741.3000	Beads, bugles, and spangles, n.e.s-----	2,018	2,023	680
740.3800	Jewelry, valued over 20 cents per dozen pieces or parts, :			
	other than watch bracelets-----	2/ 1,170	2/ 2,006	2/ 179
381.8315	Men's or boys' overcoats, topcoats and car coats, of wool, not :			
	knit, valued over \$4 per pound-----	485	1,788	882
772.5138	Truck and bus tires, other than radial-----	1,619	1,786	480
607.1710	Wire rods of iron or steel, n.s.p.f., valued over 4 cents per :			
	pound, with a carbon content not more than 0.25 percent-----	3/	1,576	-
335.9500	Woven fabrics, n.s.p.f., of vegetable fibers, n.e.s., weighing :			
	over 4 ounces per square yard-----	1,924	1,531	440
700.2966	Men's welt footwear n.s.p.f., of leather, valued over \$6.80 per :			
	pair-----	546	1,502	238
381.8359	Men's or boys' wool suits n.s.p.f., valued over \$4 per pound, :			
	not ornamented, not knit-----	1,155	1,469	16
999.9500	Formal and informal entries, \$250 and under, estimated-----	1,434	1,408	314
546.5220	Glass tumblers, goblets, and other stemware n.s.p.f., valued not :			
	over \$0.30 each-----	925	1,268	144
727.1500	Furniture and parts, of bentwood-----	1,104	1,188	317
	Total-----	38,731	45,923	9,010
	Total, U.S. imports from Czechoslovakia-----	85,284	77,793	17,701

1/ TSUSA item 192.2920 was created on July 1, 1987, from former TSUSA item 192.2520. The figure reported for 1986 represents imports under item 192.2520, while 1987 figures reflect combined imports under the two items.

2/ TSUSA item 740.3800 was divided into new TSUSA items 740.3900 and 740.4100 effective July 1, 1987. The figure reported for 1986 represents imports under item 740.3800, while 1987 figures reflect combined imports under the 3 items.

3/ TSUSA item 607.1710, along with TSUSA items 607.1720 and 607.1730, was created on Jan. 1, 1987, from former TSUSA item 607.1700.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table B-17.--Leading items exported to East Germany, by Schedule B Nos., 1986, 1987, and October-December 1987

Schedule B No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
130.3465	Yellow corn, not donated for relief or charity-----	\$27,014	\$19,216	\$3,916
184.5260	Soybean oil cake and oil-cake meal-----	22,561	6,076	-
692.3150	Tracklaying tractors, new, with a net engine horsepower rating of at least 260 horsepower, but less than 345 horsepower-----	-	4,416	-
678.5065	Machines n.s.p.f. for production and assembly of semiconductor devices, diodes, transistors, and circuits, and parts-----	1,176	3,118	1,090
106.9200	Swine (pork) livers, fresh, chilled or frozen-----	924	2,206	1,105
678.5090	Other machines n.s.p.f., and parts thereof-----	93	1,906	1,327
300.3021	Cotton linters, n.e.s-----	1,068	1,705	168
300.1060	Cotton, not carded, not combed, staple length 1 to 1-1/8 inches--	-	1,528	1,300
722.9540	Equipment specially designed for photofinishing (still pictures), other than microfilm and microfiche equipment-----	1,394	1,425	956
660.2400	Gas generators and parts-----	-	1,003	-
480.1000	Fertilizers and fertilizer materials-----	-	1,200	-
670.8600	Parts n.s.p.f. of textile machinery-----	-	967	-
818.9000	General merchandise, valued not over \$1,000, estimated-----	318	527	97
670.1700	Circular knitting machines, other than hosiery-----	376	512	-
709.1670	Electro-medical apparatus, n.s.p.f-----	-	503	354
438.1090	Blood and blood derivatives, except for passive immunization, n.e.s-----	179	499	-
184.6620	Fresh, chilled, or frozen meat, including meat offal, not fit for human consumption (animal feed)-----	184	436	-
711.8750	Electrical (including electronic) physical analysis equipment, n.s.p.f., and parts thereof-----	152	423	380
446.1521	Polychloroprene (neoprene) synthetic rubber-----	-	422	-
474.2828	Printing inks, n.s.p.f-----	-	361	91
	Total-----	55,439	48,251	10,785
	Total, U.S. exports to East Germany-----	67,624	53,695	11,960

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

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Table B-18.--Leading items imported from East Germany, by TSUSA items, 1986, 1987, and October-December 1987

TSUSA item No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
607.8390	Sheets n.s.p.f. of iron or steel, pickled or cold rolled-----	1/	\$9,868	\$1,810
480.6550	Nitrogen solutions n.s.p.f. used for fertilizers-----	3,272	8,852	1,424
480.5000	Potassium chloride, crude-----	3,282	5,579	2,796
772.5109	Passenger car tires, radial-----	4,476	4,350	983
608.1335	Sheets n.s.p.f. of iron or steel, zinc coated or plated, valued over 10 cents per pound-----	2/	3,872	776
607.6625	Plates of iron or steel, not pickled and not cold rolled, other than alloy iron or steel, over 6 inches in thickness-----	1,418	3,477	784
401.1000	Benzene-----	1,134	2,799	2,012
608.1315	Sheets n.s.p.f. of iron or steel, zinc coated or plated, valued over 10 cents per pound, painted or varnished-----	3/	2,485	664
668.5060	Parts of printing presses-----	1,690	2,064	409
610.4955	Pipes and tubes and blanks therefor, n.s.p.f., of iron or steel, diameter not over 4.5 inches, valued under \$0.225 per pound---	509	1,862	533
772.5112	Passenger car tires, other than radial-----	2,044	1,703	247
607.1710	Wire rods of iron or steel, n.s.p.f., valued over 4 cents per pound, with a carbon content not more than 0.25 percent-----	4/	1,436	-
668.2100	Offset printing presses, weighing 3,500 pounds or more, sheet-fed type-----	1,318	1,368	973
381.3905	Men's or boys' jogging, warm-up, and similar athletic jackets, of cotton, knit, not ornamented-----	997	1,209	304
772.5136	Truck and bus tires, radial-----	1,539	1,202	273
708.7600	Compound optical microscopes, other-----	842	1,159	171
607.1730	Wire rods of iron or steel, n.s.p.f., valued over 4 cents per pound, with a carbon content of 0.6 percent or higher-----	4/	1,149	-
121.5000	Pig and hog leather-----	775	1,083	295
772.5127	Radial tires for light trucks-----	794	1,060	180
494.2000	Montan wax-----	1,021	997	370
	Total-----	25,112	57,572	15,004
	Total, U.S. imports from East Germany-----	85,265	84,455	22,008

1/ TSUSA item 607.8390, along with six other TSUSA items, was created on Jan. 1, 1987, from former TSUSA item 607.8360.
2/ TSUSA item 608.1335, along with TSUSA item 608.1331, was created on Jan. 1, 1987, from former TSUSA item 608.1330.
3/ TSUSA item 608.1315, along with TSUSA item 608.1305, was created on Jan. 1, 1987, from former TSUSA item 608.1310.
4/ TSUSA items 607.1710 and 607.1730, along with TSUSA item 607.1720, were created on Jan. 1, 1987, from former TSUSA item 607.1700.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table B-19.--Leading items exported to Hungary, by Schedule B Nos., 1986, 1987, and October-December 1987

Schedule B No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
184.5260	Soybean oil cake and oil-cake meal-----	\$18,615	\$15,318	\$8,242
480.1000	Fertilizers and fertilizer materials-----	1,578	8,591	5,279
692.3840	Parts of tractors, other than tracklaying tractors-----	3,025	4,795	1,005
692.2903	Axles for motor vehicles other than truck trailers-----	-	4,255	1,446
678.5002	Oil and gas field wire line and downhole equipment and parts thereof-----	1,572	3,729	275
170.8140	Smoking tobacco, in bulk-----	1,644	3,628	802
540.4200	Glass rods, tubes, and tubing-----	3,074	3,387	1,034
435.3300	Corticosteroids, n.s.p.f. (bulk)-----	3,123	2,107	244
662.6031	Self-propelled, center pivot irrigation equipment, sprinkler or trickle type, for agricultural use, and parts thereof-----	61	1,950	3
710.2820	Electrical (including electronic) geophysical instruments and apparatus, and parts thereof-----	626	1,707	8
694.4032	Nonmilitary airplanes, rotary wing, new, less than 2,200 pounds empty weight-----	-	1,640	-
444.1210	Polyamide resins, nylon type-----	994	1,615	508
670.7810	Parts of yarn-producing machines, n.e.s-----	-	1,480	6
772.6217	Hose, pipe, and tubing, n.s.p.f., of rubber, suitable for conducting gases or liquids, with or without attached fittings-----	-	1,276	-
404.3000	Amines and their derivatives-----	-	1,246	480
692.2985	Parts, n.s.p.f., of motor vehicles-----	206	1,202	705
191.1520	Bull semen (bovine)-----	1,194	1,161	773
664.0584	Parts, n.e.s., of oil and gas field drilling machines-----	166	1,139	9
818.9000	General merchandise, valued not over \$1,000, estimated-----	221	1,059	221
692.2901	Axles, for truck trailers-----	330	999	10
	Total-----	36,434	62,282	21,050
	Total, U.S. exports to Hungary-----	88,216	94,106	28,620

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table B-20.--Leading items imported from Hungary, by TSUSA items, 1986, 1987, and October-December 1987

TSUSA item No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
107.3525	Canned hams and shoulders, 3 pounds and over-----	\$32,627	\$34,175	\$8,433
692.3295	Parts of motor vehicles, n.s.p.f.-----	17,030	32,712	8,125
412.0200	Autonomic drugs n.s.p.f., provided for in the Chemical Appendix to the Tariff Schedules-----	19,468	15,605	3,746
165.1500	Apple and pear juice, not containing over 1 percent alcohol-----	7,603	14,015	4,468
686.9030	Lamps n.e.s., including standard household-----	16,551	11,670	4,080
700.3575	Men's footwear, of leather, n.s.p.f.-----	2,130	6,483	3,374
618.2563	Aluminum sheets and strip, not clad, n.s.p.f.-----	6,334	5,698	1,391
666.0075	Parts n.s.p.f. for agricultural and horticultural machinery and implements-----	-	4,287	517
107.3040	Bacon, not boned and cooked-----	3,509	4,270	944
381.8315	Men's or boys' overcoats, topcoats and car coats, of wool, not knit, valued over \$4 per pound-----	5,443	4,269	397
700.4544	Leather cement footwear n.s.p.f., for women, over \$2.50 per pair:	5,121	3,293	1,461
772.5136	Truck and bus tires, radial-----	2,638	3,112	1,115
612.3982	Brass strips under 1/16 inch in thickness-----	1,348	3,020	741
107.3560	Pork, n.e.s., boned, cooked, canned-----	1,810	2,720	644
687.1030	Mercury vapor electric discharge lamps-----	394	2,528	568
384.9140	Women's coats n.s.p.f., 3/4-length or longer, of man-made fibers, not knit, not ornamented-----	1,720	2,465	222
320.1934	Woven fabrics, of number 19, not fancy or figured, not napped, of yarns of different colors, made of singles yarn-----	-	2,215	1,056
384.7556	Women's, girls', or infants' wool trousers, slacks, and shorts n.s.p.f., valued over \$4 per pound, not knit, not ornamented--	1,552	2,102	-
381.8311	Men's suit-type coats and jackets, of wool, valued over \$4 per pound, not ornamented, not knit-----	1,678	2,056	308
688.4280	Electrical articles and electrical parts of articles, n.s.p.f.---	2,488	2,027	460
	Total-----	129,443	158,722	42,050
	Total, U.S. imports from Hungary-----	223,938	277,647	73,164

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table B-21.--Leading items exported to Mongolia, by Schedule B Nos., 1986, 1987, and October-December 1987

Schedule B No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
685.6035	Parts of radar apparatus-----	-	\$709	-
818.9000	General merchandise, valued not over \$1,000, estimated-----	9	107	-
709.3000	Medical, dental, surgical, and veterinary instruments and apparatus, n.s.p.f., and parts thereof-----	2	26	-
678.2018	Mineral-crushing, mineral-pulverizing, and mineral-grinding machines, stationary-----	-	8	-
712.1520	Instruments and apparatus for measuring or detecting alpha, beta, gamma, X-ray, cosmic or similar radiations-----	5	6	-
547.6020	Laboratory glassware, whether or not graduated or calibrated----	-	6	-
661.7015	Sterilizers and autoclaves and parts, for the treatment of materials by a process involving a change of temperature-----	-	5	-
661.1500	Air pumps, vacuum pumps, and parts thereof-----	-	2	-
	Total-----	15	869	-
	Total, U.S. exports to Mongolia-----	77	869	-

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table B-22.--Leading items imported from Mongolia, by TSUSA items, 1986, 1987, and October-December 1987

TSUSA item No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>1,000 dollars</u>
306.4293	Camel hair, in the grease or washed, sorted-----	\$195	\$652	\$430
306.4192	Camel hair, in the grease or washed, not sorted-----	516	274	-
160.1020	Coffee, crude-----	-	223	-
168.9600	Cordials, liqueurs, kirschwasser, and ratafia, in containers each holding not over 1 gallon-----	-	133	-
306.6200	Cashmere goat hair, and like hair of other animals, in the grease or washed, sorted-----	279	54	54
203.2000	Tool handles including knife, fork, and spoon handles, and backs and handles for brooms, mops, and brushes, of densified wood--	-	19	5
167.3045	Still wine produced from grapes, not over 14 percent alcohol, in one gallon containers, valued over \$4 per gallon, white----	8	19	-
132.2000	Barley and other malts-----	-	15	-
206.5000	Wooden broom and mop handles, 3/4 inch or more in diameter and 38 inches or more in length-----	-	9	9
999.9500	Formal and informal entries, \$250 and under, estimated-----	-	9	3
110.3570	Fish n.s.p.f., whole or with heads or fins removed, fresh or chilled-----	-	6	6
192.2360	Orchids, fresh, other than dendrobium-----	1/	5	-
170.3520	Cigarette leaf tobacco, stemmed, other than flue-cured-----	-	5	-
381.4010	Men's or boys' cotton knit T-shirts, except all white-----	-	4	-
207.0920	Wood carvings, n.s.p.f.-----	2/	2	-
222.6000	Articles, n.s.p.f., of unspun fibrous vegetable materials of one or more of the materials bamboo, rattan, willow, or chip--	1	1	-
190.4500	Fish, live, not for human consumption-----	-	1	-
	Total-----	999	1,431	507
	Total, U.S. imports from Mongolia-----	1,081	1,431	507

1/ TSUSA item 192.2360 was created on July 1, 1987, from former TSUSA item 192.2160. There were no imports from Mongolia under item 192.2160 during 1986-87.

2/ TSUSA item 207.0920 was created on July 1, 1987, from former TSUSA item 207.0020. There were no imports from Mongolia under item 207.0020 during 1986-87.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table B-23.--Leading items exported to North Korea, by Schedule B Nos., 1986, 1987, and October-December 1987

Schedule B No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
	Total, U.S. exports to North Korea-----	-	-	-

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table B-24.--Leading items imported from North Korea, by TSUSA items, 1986, 1987, and October-December 1987

TSUSA item No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
790.2500	Hand fans-----	\$2	-	-
	Total-----	2	-	-
	Total, U.S. imports from North Korea-----	2	-	-

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table B-25.--Leading items exported to Poland, by Schedule B Nos., 1986, 1987, and October-December 1987

Schedule B No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
130.6540	Wheat, unmilled, not donated for relief or charity-----	\$7,136	\$67,205	\$28,521
818.3900	Products, n.e.s., donated for relief or charity-----	24,479	28,994	7,746
480.1000	Fertilizers and fertilizer materials-----	17,945	17,072	4,640
300.1060	Cotton, not carded, not combed, staple length 1 to 1-1/8 inches-	-	8,152	5,941
818.3300	Medicinal and pharmaceutical products donated for relief or charity-----	2,831	7,605	4,885
664.0588	Parts, n.e.s., of excavating machinery, n.e.s-----	7,241	6,864	1,351
184.5260	Soybean oil cake and oil-cake meal-----	-	6,703	6,703
130.4040	Grain sorghum, other than seed for planting purposes-----	-	6,330	1,848
475.0760	Heavy fuel oils, having a Saybolt Universal viscosity at 100 degrees Fahrenheit of more than 125 seconds-----	1,393	5,360	-
170.6500	Cigarettes-----	3,244	4,832	906
130.1040	Barley, other than for malting purposes-----	-	4,078	-
309.4242	Polyester fibers (in noncontinuous form)-----	2,386	3,591	1,016
666.2578	Industrial machinery n.s.p.f. for preparing and manufacturing food or drink, and parts thereof-----	-	3,169	3,163
475.0740	Distillate and residual fuel oils derived from petroleum or shale, having a Saybolt Universal viscosity of 45-125 seconds-	-	2,482	2,482
818.4000	Used wearing apparel and other used articles, of textile materials, exported in bulk-----	1,746	2,451	742
250.0284	Wood pulp, special alpha and dissolving grades-----	-	2,049	556
121.0515	Bovine leather, rough, russet, and crust, wet blue, not split---	502	1,929	-
666.2510	Meat- and poultry-processing machinery and equipment and parts thereof-----	588	1,899	1,877
674.3531	Sharpening machines-----	-	1,889	-
120.1400	Cattle hides, whole-----	6,319	1,545	-
	Total-----	75,810	184,198	72,379
	Total, U.S. exports to Poland-----	145,155	237,399	88,086

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table B-26.--Leading items imported from Poland, by TSUSA items, 1986, 1987, and October-December 1987

TSUSA item No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
107.3525	Canned hams and shoulders, 3 pounds and over-----	\$110,515	\$118,271	\$30,408
110.4740	Pollock blocks, frozen, over 10 pounds-----	10,118	25,481	636
493.1200	Casein-----	5,285	8,021	3,191
607.6625	Plates of iron or steel, not pickled and not cold rolled, other than alloy iron or steel, over 6 inches in thickness-----	2,216	7,316	2,582
335.9500	Woven fabrics, n.s.p.f., of vegetable fibers, n.e.s., weighing over 4 ounces per square yard-----	4,228	4,748	1,196
646.2620	Brads, nails, spikes, staples, and tacks, of iron or steel, one inch or longer, smooth shank, not coated, plated, or painted--	1/	4,017	1,106
336.6260	Woven fabrics n.s.p.f., worsted wool, valued over \$2 per pound but not over \$9 per pound, 6 ounces and over per square yard--	501	3,673	1,230
686.9030	Lamps n.e.s., including standard household-----	4,314	3,446	1,026
608.1335	Sheets n.s.p.f. of iron or steel, zinc coated or plated, valued over 10 cents per pound-----	2/	3,279	1,695
727.1500	Furniture and parts, of bentwood-----	3,476	3,268	809
381.8359	Men's or boys' wool suits n.s.p.f., valued over \$4 per pound, not ornamented, not knit-----	1,502	2,718	584
192.2920	Hops, not in pellets-----	3/ 1,145	3/ 2,387	3/ -
381.4715	Men's or boys' raincoats, 3/4-length or longer, of cotton, not knit-----	1,535	2,343	479
700.4544	Leather cement footwear n.s.p.f., for women, over \$2.50 per pair	1,963	2,330	409
609.8041	Channels of iron or steel other than alloy, having a maximum cross-sectional dimension of 3 inches or more, not advanced---	2,712	2,328	700
692.1090	Motor vehicles n.s.p.f., for the transport of persons or articles-----	2,103	2,145	350
384.3715	Women's cotton raincoats n.s.p.f., 3/4-length or longer, valued over \$4 each, not ornamented, not knit-----	548	1,962	804
612.6290	Brass rods, wrought, other than low fuming brazing rod-----	58	1,845	790
146.7630	Strawberries in containers holding more than 40 ounces-----	2,049	1,834	185
546.2040	Glassware n.s.p.f. made of glass containing by weight over 24 percent lead monoxide, valued over \$5 each-----	450	1,791	598
	Total-----	154,717	203,199	48,779
	Total, U.S. imports from Poland-----	230,953	295,484	76,269

1/ TSUSA item 646.2620, along with eight other TSUSA items, was created on Jan. 1, 1987, from eight former TSUSA items.

2/ TSUSA item 608.1335, along with TSUSA item 608.1331, was created on Jan. 1, 1987, from former TSUSA item 608.1330.

3/ TSUSA item 192.2920 was created on July 1, 1987, from former TSUSA item 192.2520. The figure reported for 1986 represents imports under item 192.2520, while 1987 figures reflect combined imports under the two items.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table B-27.--Leading items exported to Romania, by Schedule B Nos., 1986, 1987, and October-December 1987

Schedule B No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
175.4100	Soybeans, other than seed for planting-----	\$49,489	\$81,829	-
521.3110	Low volatile bituminous coal-----	46,622	47,143	13,550
660.3840	Parts, n.s.p.f., of steam turbines-----	45,798	15,531	86
120.1400	Cattle hides, whole-----	24,401	12,920	2,819
480.1000	Fertilizers and fertilizer materials-----	6,940	5,321	2,281
676.5560	Parts of automatic data processing machines and units thereof, n.s.p.f-----	4,177	3,775	651
250.0281	Wood pulp, sulphate and soda, bleached, softwood, n.e.s-----	835	3,004	711
184.5260	Soybean oil cake and oil-cake meal-----	6,655	2,755	-
486.2900	Insecticides, unmixed, n.e.s-----	2,884	2,325	-
415.4500	Sulfur, native elemental or recovered, in any physical form-----	-	2,110	-
818.3100	Food products, n.s.p.f., donated for relief or charity-----	1,241	1,096	296
381.4321	Men's knit trousers and slacks, of man-made fibers-----	-	1,070	355
711.2420	Machines and appliances for determining the strength of articles under compression, tension, etc., electrical-----	492	938	-
433.1035	Compound catalyst preparations, other than of nickel-----	539	823	-
661.9875	Filtering and purifying machinery and apparatus n.s.p.f., for liquids or gases-----	-	810	-
521.8500	Clays, n.s.p.f-----	-	611	37
683.9030	Arc welding machines, rotating type, electric-----	-	498	-
680.2748	Taps, cocks, valves, and similar devices n.s.p.f., used to control the flow of liquids, gases, or solids-----	5	496	-
416.5500	Inorganic acids, n.s.p.f-----	1,487	491	-
664.0584	Parts, n.e.s., of oil and gas field drilling machines-----	1,516	473	-
	Total-----	193,081	184,019	20,784
	Total, U.S. exports to Romania-----	249,226	192,107	22,674

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table B-28.--Leading items imported from Romania, by TSUSA items, 1986, 1987, and October-December 1987

TSUSA item No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
475.2528	Unleaded gasoline-----	\$92,378	\$325,850	\$82,727
618.0200	Aluminum, other than alloys of aluminum-----	23,365	24,375	-
475.1015	Light fuel oils, testing 25 degrees A.P.I. or more, Saybolt Universal viscosity at 100 degrees F of less than 45 seconds--	13,165	22,624	8,335
475.0535	Crude petroleum, testing under 25 degrees A.P.I. (heavy fuel oils)-----	15,675	13,427	-
107.3525	Canned hams and shoulders, 3 pounds and over-----	5,701	12,338	5,346
607.6625	Plates of iron or steel, not pickled and not cold rolled, other than alloy iron or steel, over 6 inches in thickness-----	14,431	11,881	1,327
727.3555	Wall systems, bookcases, shelf units, credenzas, buffets servers china closet-----	5,962	11,637	4,134
618.2563	Aluminum sheets and strip, not clad, n.s.p.f-----	6,567	11,390	1,449
700.4544	Leather cement footwear n.s.p.f., for women, over \$2.50 per pair	5,424	9,797	1,471
475.6530	Mixtures of hydrocarbons n.s.p.f, in liquid form, other than condensate derived wholly from natural gas-----	197,372	9,079	6,950
360.1200	Floor coverings with pile hand-inserted or hand-knotted, valued over 66-2/3 cents per square foot of wool-----	10,348	7,475	1,830
381.3905	Men's or boys' jogging, warm-up, and similar athletic jackets, of cotton, knit, not ornamented-----	6,284	6,615	1,549
310.5049	Yarns wholly of noncontinuous man-made fibers, plied, of acrylic	5,266	5,608	1,009
680.3712	Ball bearings, radial ball bearings, outside diameter over 30- millimeters but not over 52-millimeters-----	4,569	5,217	947
384.9140	Women's coats n.s.p.f., 3/4-length or longer, of man-made fibers, not knit, not ornamented-----	1,356	4,849	32
706.1310	Brief cases, school bags, photographic equipment bags, camera cases, and like containers and cases n.s.p.f., of leather-----	6,304	4,808	2,650
727.2900	Chairs n.s.p.f., of wood-----	5,041	4,528	1,170
381.9035	Men's knit sweaters, of man-made fibers, not ornamented-----	3,669	4,351	306
381.8930	Men's or boys' shirts, other than sweatshirts, T-shirts or tank tops, of man-made fibers, knit-----	3,309	4,317	621
384.4765	Women's cotton trousers and slacks n.s.p.f., not ornamented, not knit-----	926	4,098	2,558
	Total-----	427,112	504,262	124,411
	Total, U.S. imports from Romania-----	750,018	714,368	174,590

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table B-29.--Leading items exported to Vietnam, by Schedule B Nos., 1986, 1987, and October-December 1987

Schedule B No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>1,000 dollars</u>
818.3900	Products, n.e.s., donated for relief or charity-----	\$28,398	\$23,089	\$6,274
818.9000	General merchandise, valued not over \$1,000, estimated-----	157	196	42
818.8000	Shipments valued \$10,000 and under, not identified by kind-----	114	35	23
818.3300	Medicinal and pharmaceutical products donated for relief or charity-----	169	31	8
795.0000	Nonenumerated products-----	52	19	-
709.1690	Parts of electro-medical apparatus-----	-	14	-
660.9480	Pumps n.s.p.f., for liquids-----	-	9	-
772.0400	Household articles n.s.p.f., of rubber or plastics-----	287	7	-
694.6517	Parts n.s.p.f. for aircraft and spacecraft-----	-	7	-
256.7190	Paper and paperboard, cut to size or shape; and other articles of pulp, papier-mache, paper, or paperboard, n.s.p.f-----	-	4	-
711.0100	Balances of a sensitivity of 5 centigrams or better, with or without their weights, and parts thereof (including weights)---	-	3	3
385.4660	Bags and sacks, or other shipping containers, of textile materials n.s.p.f-----	-	3	3
270.3080	Technical, scientific, and professional books-----	-	2	-
651.5610	Agricultural or horticultural hand tools n.s.p.f., and metal parts thereof-----	-	2	2
	Total-----	29,179	23,422	6,355
	Total, U.S. exports to Vietnam-----	29,986	23,422	6,355

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

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Table B-30.--Leading items imported from Vietnam, by TSUSA items, 1986, 1987, and October-December 1987

TSUSA item No.	Description	1986	1987	Oct.-Dec. 1987
		<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>1,000 dollars</u>
381.9400	Men's or boys' sport shirts not having two or more colors in the warp or the filling, of man-made fibers, not knit-----	\$45	-	-
320.2927	Printcloth, wholly of cotton, not fancy or figured, not napped and not of yarns of different colors, of number 29-----	31	-	-
384.2935	Womens' and girls' cotton knit sweatshirts, not ornamented-----	1/ 31	-	-
384.5234	Women's and girls' cotton playsuits, washsuits, sunsuits, and similar apparel n.s.p.f., not ornamented, not knit-----	27	-	-
384.2934	Infants' cotton knit sweatshirts, not ornamented-----	1/ 27	-	-
791.7620	Men's and boys' coats and jackets, of leather, n.s.p.f-----	26	-	-
384.9000	Women's trousers and slacks n.s.p.f., of man-made fibers, not ornamented, not knit-----	13	-	-
	Total-----	201	-	-
	Total, U.S. imports from Vietnam-----	201	-	-

1/ TSUSA items 384.2934 and 384.2935 were created on July 1, 1986, from former TSUSA item 384.2940.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

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GLOSSARY

<u>Abbreviation</u>	<u>Full wording</u>
CIA	Central Intelligence Agency
CCC	Commodity Credit Corporation (U.S. Department of Agriculture)
CCL	Commodity Control List
CMEA	Council for Mutual Economic Assistance
COCOM	Coordinating Committee for Multilateral Export Controls
CPE	Centrally planned economy
EAA	Export Administration Act of 1979 (United States)
EC	European Community
EEP	Export Enhancement Program (U.S. Department of Agriculture)
EXIMBANK	Export-Import Bank of the United States
FAO	Food and Agricultural Organization (United Nations)
GATT	General Agreement on Tariffs and Trade
GNP	Gross national product
GSP	Generalized System of Preferences
IAEA	International Atomic Energy Agency
IMF	International Monetary Fund
LTFV	Less than fair value
MFA	Multifiber Arrangement
MFN	Most-favored-nation
NME's	Nonmarket economy countries
OEA	Office of Export Administration (U.S. Department of Commerce)
OECD	Organization for Economic Cooperation and Development
QGL	Qualified General License
SDR	Special Drawing Rights
SIC	Standard Industrial Classification
	MSIC: SIC-based import product groupings
	OSIC: SIC-based domestic manufactured output categories
SITC	Standard International Trade Classification
	SITC categories are defined as follows:
	1-digit SITC: Section
	2-digit SITC: Division
	3-digit SITC: Group
	4-digit SITC: Subgroup
	5-digit SITC: Item
TSUSA	Tariff Schedules of the United States Annotated
USC	United States Code
USDA	U.S. Department of Agriculture
USITC	U.S. International Trade Commission

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- (2) summary tables and figures describing the value, direction, composition, and individual country trade shares of U.S.-NME trade in that calendar quarter;
- (3) a series of appendix tables describing the leading items traded by the United States with each of the NME countries covered, disaggregated to the 7-digit level of the respective export and import schedules, through the end of that calendar quarter.

Other subjects covered periodically or on an irregular basis are listed below. All page numbers refer to the official USITC publication, with the exception of Report No. 4. Page numbers for that report refer to the copy published by the U.S. Government Printing Office.

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